



Creststreet



Q2
2003

Creststreet 2003
Limited Partnership

Dear Unitholder:

We are pleased to present the June 30, 2003 interim report for Creststreet 2003 Limited Partnership.

On June 26, 2003 the Partnership completed its initial public offering raising a total of \$34,829,210 for investment in flow-through shares of Canadian resource companies. To date the Partnership has made flow through investments in the following companies:

Company	Sector	Market Cap (MM)	% of Fund
Storm Energy Ltd.	Oil & Gas	166	1.7%
High Point Resources	Oil & Gas	120	2.7%
Defiant Energy Corporation	Oil & Gas	109	1.6%
Devlan Exploration	Oil & Gas	60	4.8%
True Energy Inc.	Oil & Gas	52	3.3%
Metalex Ventures Inc.	Oil & Gas	50	0.6%
E3 Energy Inc.	Oil & Gas	28	4.2%
Cash, Net of Working Capital			81.1%
Total			100.0%

We are very pleased with the flow-through portfolio that has been structured by the Partnership thus far this year and anticipate the Partnership will continue to access high quality flow-through investment opportunities for the balance of its uncommitted funds. The Partnership's investment strategy is to focus primarily on Canadian natural gas producers. Record low levels of North American natural gas storage earlier this year have resulted in strong natural gas prices thus far in 2003. We expect present constrained levels of natural gas production combined with stronger demand from an improving economic environment in North America will support strong natural gas prices for the foreseeable future.

As of August 15, 2003 the net asset value of the partnership was \$9.05 per unit. This net asset value represents an attractive 29.7% after-tax total return since inception for an Ontario investor at the highest marginal tax rate.

Creststreet is planning several new investment fund offerings for the Fall of 2003. Creststreet will ensure you and your investment advisor are informed of these investment opportunities when they are available.

We encourage you to visit our website at www.creststreet.com for timely updates on your investments with Creststreet and details on new investment fund offerings.

Respectfully submitted,



Robert J. Toole

Managing Director

August 26, 2003

Management Discussion and Analysis

No comparison to prior periods has been provided, as the Partnership was not in operation during the second quarter of 2002.

Financial Condition – At June 30, 2003 the Partnership had net assets of \$31,423,758 including investments in flow-through shares of resource companies of \$2,812,598 and net working capital of \$28,611,160 consisting mainly of cash invested in short-term money market instruments.

Change in Net Assets – In June 2003, the Partnership completed its initial public offering of limited partnership units raising gross proceeds of \$34,829,210. The Partnership paid Agents' Fees of \$2,350,972 being 6.75% of the gross proceeds raised and incurred \$503,420 in issue costs to complete the offering. At June 30, 2003, the Partnership had unrealized depreciation of investments of \$507,207 related to the acquisition of tax benefits associated with the investment in flow-through shares.

Results of Operations – For the period April 17, 2003 to June 30, 2003, the Partnership earned \$71,553 in interest income on short-term investments, paid management fees of \$68,967 being 1/12 of 2% of the net assets of the Partnership, calculated and paid monthly, and incurred administrative costs of \$36,251 and interest expense of \$10,178 related to the operation of the Partnership.

Outlook – The Partnership has a solid portfolio of high quality resource companies with a strong weighting to natural gas production. The Partnership is well positioned to take advantage of continuing improvement in natural gas prices.

Statement of Net Assets*As at June 30, 2003*

Unaudited	June 30 2003
Assets:	
Investments in Resource Companies	\$ 2,812,598
Cash and Cash Equivalents	31,501,207
	\$ 34,313,805
Liabilities:	
Loan Payable (Note 3)	\$ 2,789,620
Accounts Payable and Accrued Liabilities	100,427
	\$ 2,890,047
Net Assets	\$31,423,758
Limited Partnership Units Outstanding	3,482,921
Net Asset Value Per Unit	\$ 9.02

See accompanying notes to financial statements

Approved by Creststreet 2003 Management Limited as General Partner
on behalf of Creststreet 2003 Limited Partnership



Director



Director

Statement of Operations*For the Period Ended June 30, 2003*

Unaudited	Period Ended June 30 2003
Investment Income:	
Interest Income	\$ 71,533
Expenses:	
Management Fees (Note 4)	68,967
Interest Expense (Note 3)	10,178
Administrative Costs	36,251
	115,396
Net Loss	(43,863)
Unrealized Gain on Investments:	
Change in Unrealized Depreciation of Investments	(507,207)
Net Loss on Investments	(507,207)
Net Decrease in Net Assets Resulting from Operations	\$ (551,070)
Net Increase (Decrease) in Net Assets Resulting from Operations per Unit:	
Net Loss	\$ (0.01)
Net Loss on Investments	(0.15)
Net Decrease in Net Assets Resulting from Operations per Unit	\$ (0.16)

Statement of Changes in Net Assets*For the Period Ended June 30, 2003*

Unaudited	Period Ended June 30 2003
Operations:	
Net Decrease in Net Assets Resulting from Operations	\$ (551,070)
Unitholder Transactions:	
Proceeds from Issue of Units	34,829,220
Payment of Agents' Fees	(2,350,972)
Payment of Costs of Issue	(503,420)
Net Increase in Net Assets	31,423,758
Net Assets at Beginning of Period	–
Net Assets at End of Period	\$31,423,758

See accompanying notes to financial statements

Statement of Investment Portfolio

As at June 30, 2003

Unaudited

Description	Number of Shares	Market Value
E3 Energy Inc.	1,200,000	\$ 1,158,000
High Point Resources	500,000	800,000
Storm Energy Ltd.	95,000	570,000
Metalex Ventures Inc.	86,900	284,598
Total Investment Portfolio		\$ 2,812,598

See accompanying notes to financial statements

Notes to Financial Statements

For the period ended June 30, 2003 – Unaudited

1. Creststreet 2003 Limited Partnership

CRESTSTREET 2003 LIMITED PARTNERSHIP (the “Partnership”) was formed as a limited partnership under the laws of the Province of Ontario on February 13, 2003. 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 April 17, 2003, Limited Partners subscribed for 3,482,921 units of limited partnership interest. The General Partner of the Partnership is CRESTSTREET 2003 MANAGEMENT LIMITED (the “General Partner”).

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and the following is a summary of significant accounting policies followed by the Partnership.

a. Cash and Cash Equivalents

Cash equivalents are comprised of highly liquid investments having original terms to maturity of 90 days or less when acquired. Cash equivalents are valued at cost plus accrued interest which approximates market value.

b. Valuation of Investments

Securities listed on a recognized public securities exchange are valued at their closing sale price. Securities not traded on a valuation date are valued at the average of the closing bid and ask prices. Securities for which no published market exists are valued at cost unless a different fair market value is determined by the Manager.

c. Investment Transactions and Income Recognition

Investment transactions are accounted for as of the trade date and any realized gains or losses from such transactions are calculated on an average cost basis. Dividend income is recognized on the record date and interest income is accrued as earned.

d. Allocation of Partnership Income and Loss

The net income of the Partnership for each fiscal period is allocated 0.01% to the General Partner and the balance, along with 100% of the net loss of the Partnership, among the Limited Partners in proportion to the number of units held by each of them at the end of each period. The Partnership is not itself a taxable entity. Accordingly, no provision for income taxes is required.

e. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

3. Loan Payable

A term facility for up to \$4 million matures on the earlier of May 15, 2005 and the dissolution date of the partnership. The facility is secured by a general security agreement and interest is calculated at prime. At June 30, 2003, the total loan payable was \$2,789,620.

4. 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 first six months of 2003, the management fee amounted to \$68,967. The General Partner also has a 0.01% beneficial interest in the Partnership.

5. Liquidity of Partnership Units and Termination of the Partnership

On or about January 21, 2005, 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.

6. Tax Shelter Identification Number – TS 068015

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
Donna Shea, Vice-President, Finance
Sheryl Chiddenton, Secretary Treasurer

Lead Agent

Scotia Capital Inc.
Toronto, Ontario

Legal Counsel

Fasken Martineau DuMoulin LLP
Toronto, Ontario

McCarthy Tétrault LLP
Toronto, Ontario

Auditors

KPMG LLP
Toronto, Ontario

Registered Address

Creststreet 2003 Limited Partnership
Suite 2320, 130 Adelaide Street West
Toronto, Ontario M5H 3P5

Tel: (416) 864-6330
Toll Free: 1-866-864-6330
Fax: (416) 862-8950
E-mail: info@creststreet.com
www.creststreet.com



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