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PROSPECTUS

Initial Public Offering

December 15, 2008



WCSB OIL & GAS ROYALTY INCOME 2008-II LIMITED PARTNERSHIP

Maximum Offering: \$40,000,000 (400,000 Units)

Minimum Offering: \$3,000,000 (30,000 Units)

Price: \$100 per Unit

Minimum Purchase: \$5,000 (50 Units)

This prospectus qualifies the distribution by WCSB Oil & Gas Royalty Income 2008-II Limited Partnership (the "Partnership"), a limited partnership formed under the laws of British Columbia, of a maximum of 400,000 limited partnership units (the "Units") at a price of \$100.00 per Unit, subject to a minimum subscription of 50 Units for \$5,000. **Units cannot be purchased or held by "non-residents" as defined in the Income Tax Act (Canada)** (the "Tax Act"). See "The Partnership" and "Description of the Units". Capitalized terms used in this prospectus are defined in the Glossary.

Under the terms of the limited partnership agreement governing the Partnership (the "Partnership Agreement"), the subscription price of \$100.00 per Unit (the "Subscription Price") is payable in two instalments if the Units are purchased in 2008. The first instalment of \$25.00 (the "First Instalment") is payable upon the Closing of the Offering. The second instalment of \$75.00 (the "Second Instalment") is payable on or before March 31, 2009. While such Units will be issued at Closing, they will not be fully paid until the Second Instalment has been paid, and the Units will be pledged to the Partnership as continuing security for the payment of the Second Instalment. Subscribers purchasing Units in 2009 must pay the whole Subscription Price upon the Closing of the Offering, and Subscribers purchasing Units in 2008 may choose to pay the whole Subscription Price upon Closing and in each such case, the Units issued will be fully paid.

If a holder of a Unit does not pay the Second Instalment on or before March 31, 2009 (the "Second Instalment Date"), the Units held by such holder may, subject to applicable law, among other available remedies, be declared to be forfeited to the Partnership in full or partial satisfaction of the obligations to pay the Second Instalment, or such Units may be sold and the holder of the Unit will remain liable for any deficiency in the proceeds of the sale. See "Summary of the Partnership Agreement – Liability for Unpaid Instalment".

WCSB Oil & Gas Royalty Income 2008-II Management Corp. is the general partner of the Partnership (the "General Partner") and has co-ordinated the formation, organization and registration of the Partnership. The General Partner will: (i) be responsible for selecting, negotiating and managing the Subsidiary Companies' Joint Ventures; (ii) work with the Agents in developing and implementing all aspects of the Partnership's communications, marketing and distribution strategies; and (iii) manage the ongoing business and administrative affairs of the Partnership. See "The General Partner".

The General Partner believes that the fundamental long-term outlook for the Canadian energy sector is attractive. The General Partner believes that significant volatility in energy prices will continue over the short term but over the medium to longer term, issuers involved in the development and production of oil and natural gas will realize strong cash flow and profits attributable to attractive commodity prices driven by global demand, limited excess production capacities and restrictive supplies. The Partnership has been established to provide investors with a means of achieving income, potential capital appreciation and liquidity and significant tax deductions through the ownership in royalties on the production of oil & natural gas, while avoiding exposure to the market volatility associated with securities of public energy issuers in the near term. In addition, by splitting the purchase price for the Units into instalments, the Partnership has attempted to match the General Partner's anticipated requirements for capital to fund its obligations under Joint Venture Agreements with the timing of the Limited Partner's Second Instalment payment and also with the timing of the tax deductions provided to Limited Partners.

The Partnership's investment objectives are to provide Limited Partners with income, capital appreciation, potential liquidity and a tax deductible investment by participation in the production of, and, to a lesser extent, the exploration for oil and natural gas. It intends to achieve its objectives by investing in Flow-Through Shares of one or more Subsidiary Companies, which are wholly-owned subsidiary companies of the Partnership. See "The Partnership – Investment Objectives and Strategy".

Subsidiary Companies will be formed with the sole purpose of entering into Joint Venture Agreements with Oil & Gas Cos to participate directly in oil and/or natural gas production and/or exploration programs in target areas, with an emphasis on targets located in the Western Canadian sedimentary basin. The Subsidiary Companies will incur Eligible Expenditures pursuant to the Programs and will renounce them to the Partnership, which will in turn be allocated to the Limited Partners. The obligations of the Subsidiary Companies to the Joint Ventures will be limited to their initial capital contributions, and the Subsidiary Companies will be entitled to a Gross Over-Riding Royalty on production (if any) earned from the Program. The Distributable Cash generated by these royalty payments (if any), after deducting the Operating Reserve and the General Partner's Share, will (provided such Distributable Cash exceeds \$1.00 per Unit) be distributed to Limited Partners on a quarterly basis, commencing in June 2009.

	<u>Price to Public</u>	<u>Agents' Fees</u>	<u>Proceeds to the Partnership</u> ⁽²⁾⁽³⁾
Per Unit			
First Instalment.....	\$25.00	\$7.25	\$17.75
Second Instalment	\$75.00	Nil	\$75.00
Total Per Unit (minimum subscription – 50 units) ⁽¹⁾	\$100.00	\$7.25	\$92.75
Maximum Offering (400,000 Units) ⁽⁴⁾	\$40,000,000	\$2,900,000	\$37,100,000
Minimum Offering (30,000 Units) ⁽⁴⁾	\$3,000,000	\$217,500	\$2,782,500

(1) The subscription price per Unit was established by the General Partner.

(2) The First Instalments must be paid to the Partnership at each Closing. The Second Instalments must be paid to the Partnership by March 31, 2009.

(3) Before deducting all other expenses of the Offering (including but not limited to legal, accounting and audit, travel, marketing and sales expenses), estimated by the General Partner to be \$157,500 in the case of the minimum Offering and \$640,000 in the case of maximum Offering. All such other expenses will be deducted from First Instalments. In the event these expenses of the Offering exceed 5.25% of the Gross Proceeds, the General Partner will be responsible for the shortfall.

(4) Assuming that the Second Instalment is paid in full for each Unit sold in 2008 pursuant to the Offering.

These securities are speculative in nature. This is a blind pool offering. As at the date of this prospectus, the Partnership has not identified any specific Joint Ventures in which Subsidiary Companies will invest. The purchase of Units involves significant risks. There is currently no market through which the Units may be sold and purchasers may not be able to resell the securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. No market for the Units is expected to develop. The Units are non-transferable by a holder until the Second Instalment has been paid in full, and thereafter only in exceptional circumstances. An investment is appropriate only for Subscribers who have the capacity to absorb the loss of some or all of their investment. There is no guarantee that an investment in the Partnership will earn a specified rate of return in the short or long term. Limited Partners must rely on the discretion and knowledge of the General Partner in respect of the identification of suitable Joint Venture opportunities. There can be no assurance that the General Partner, on behalf of the Partnership, will be able to identify a sufficient number of investments to permit the Partnership to commit all of the Partnership's Available Funds, or that Subsidiary Companies will be able to incur and renounce Eligible Expenditures in the full amounts expected or at all. Therefore, the possibility exists that capital may be returned to Limited Partners and Limited Partners may be unable to claim anticipated deductions from income tax purposes. There will be no market for securities of Subsidiary Companies held by the Partnership. The tax benefits resulting from an investment in the Partnership are greatest for a Limited Partner whose income is subject to the highest applicable income tax rate. Federal, provincial or territorial income tax legislation may be amended, or its interpretation changed, so as to alter fundamentally the tax consequences of holding or disposing of Units. If a subscriber fails to pay the Second Instalment by March 31, 2009, the Units held by the subscriber may be forfeited to the Partnership, or sold by the Partnership on their behalf. Distributions from the Partnership to Limited Partners in a year, if any, may not be sufficient to fully pay any tax that they may owe as a result of being a Limited Partner in that year. Other risk factors associated with an investment in the Partnership include Limited Partners losing their limited liability in certain circumstances and the General Partner having only nominal assets. There are no assurances that Offers or a Liquidity Event will be completed. Prospective Subscribers should consult their own professional advisors to assess the income tax, legal and other aspects of their investment. See "Risk Factors".

The Partnership will use its commercially reasonable efforts to invest the Initial Net Proceeds of the Offering received by the Partnership in 2008 in Flow-Through Shares of Subsidiary Companies on or before December 31, 2008 pursuant to Investment Agreements requiring that the Subsidiary Companies incur CEE or Qualifying CDE, and renounce these expenses effective not later than such date. The Partnership will use its commercially reasonable efforts to invest any Initial Net Proceeds received by the Partnership in 2009 and the Subsequent Net Proceeds in additional Flow-Through Shares of Subsidiary Companies in 2009 requiring the Subsidiary Companies to renounce Eligible Expenditures effective on or before December 31, 2009. An individual or a corporation may deduct up to 30% of the balance of his or her cumulative CDE account (on a year-by-year declining balance basis commencing in the year renunciation is effective) and up to 100% of the balance of his or her cumulative CEE account in the year renunciation is effective. The Partnership's target is that the Eligible Expenditures will constitute, in the aggregate throughout 2008 to 2010, approximately 70% to be renounced as CDE to the Partnership and, as to the balance, as CEE or

Qualifying CDE. However, the percentage allocation of CDE, CEE and Qualifying CDE in each of these years is uncertain. Renounced amounts are expected to be up to approximately 83% of a Limited Partner's subscription amount in the case of the minimum Offering and up to approximately 87% of a Limited Partner's subscription amount in the case of the maximum Offering. Any Initial Net Proceeds received by the Partnership in 2008 that have not been committed by the Partnership to purchase Flow-Through Shares on or before December 31, 2008 will be distributed by February 15, 2009 on a *pro rata* basis to Limited Partners of record as at December 31, 2008. Any Initial Net Proceeds received by the Partnership in 2009 and any Subsequent Net Proceeds that have not been committed by the Partnership to purchase Flow-Through Shares on or before December 31, 2009 will be distributed by February 15, 2010 on a *pro rata* basis to Limited Partners of record as at December 31, 2009. Subject to certain limitations, Limited Partners with sufficient income will be entitled to claim deductions for Canadian federal income tax purposes with respect to Eligible Expenditures incurred and renounced by the Subsidiary Companies to the Partnership. See "Canadian Federal Income Tax Considerations". All investments will be made in accordance with the Partnership's Investment Strategy and Investment Guidelines, as described in this prospectus. See "The Partnership – Investment Objectives and Strategy" and "The Partnership – Investment Guidelines".

The General Partner will use commercially reasonable efforts to cause each Joint Venture Agreement to contain provisions whereby the Oil & Gas Co will be obliged to make an Offer to acquire all of the outstanding Flow-Through Shares of the Subsidiary Company which is participating in the Joint Venture Agreement at what the Oil & Gas Co determines to be fair market value. Such Offer must be made 30 months after the date the Joint Venture is entered into, or as soon as practicable thereafter. The intention of the General Partner is to manage the Partnership so that Limited Partners may achieve a return on their investment and liquidity over the term of the Partnership, principally through the distribution of any Distributable Cash received *via* dividends declared and paid on the Flow-Through Shares by the Subsidiary Companies, and the distribution of Offering Shares following the sale, pursuant to an Offer, of the Flow-Through Shares of a Subsidiary Company. However, in the event assets, including Offering Shares and/or Flow-Through Shares, have not previously been distributed to the Limited Partners and remain in the Partnership prior to December 31, 2011, the General Partner intends to implement a Liquidity Event on or before December 31, 2011. The General Partner presently anticipates that the Liquidity Event will be either a Mutual Fund Rollover Transaction or a Stock Exchange Listing. The Liquidity Event will be implemented on not less than 21 days' prior written notice to the Limited Partners. The General Partner may, in its sole discretion, call a meeting of Limited Partners to approve a Liquidity Event but intends to do so only if the actual terms of the Liquidity Event are substantially different from those presently intended and described in this prospectus. If such a meeting is called, no Liquidity Event will be implemented if a majority of Units voted at such meeting vote against proceeding with the Liquidity Event. **There can be no assurance that any such Liquidity Event will be proposed, receive the necessary approvals (including regulatory approvals) or be implemented.** In the event a Liquidity Event is not implemented by December 31, 2011, then, in the discretion of the General Partner, the Partnership may (a) be dissolved on or about December 31, 2012, and its net assets distributed *pro rata* to the Partners, or (b) subject to the approval by Extraordinary Resolution of the Limited Partners, continue in operation. See "Potential Liquidity" and "Risk Factors".

A Subscriber who purchases Units, among other things, (i) acknowledges that he, she or it has authorized one of the Agents (or authorized members of the selling group formed by the Agents) to act as his, her or its agent in connection with the purchase of Units, to give the representations, warranties and covenants in the Partnership Agreement on his, her or its behalf as a Limited Partner, to grant the power of attorney to the General Partner set out in the Partnership Agreement on his, her or its behalf and has authorized one of the Agents (or authorized members of the selling group formed by the Agents) to delegate all necessary power and authority to any of the Agents or other agents, as the case may be, in contemplation of the foregoing; (ii) to the extent applicable, directly gives the representations, warranties and covenants in the Partnership Agreement and grants directly to the General Partner the power of attorney set out in the Partnership Agreement; (iii) acknowledges that he, she or it is bound by the terms of the Partnership Agreement (including the requirement to pay the Second Instalment) and is liable for all obligations of a Limited Partner; (iv) irrevocably nominates, constitutes and appoints the General Partner as his, her or its true and lawful attorney with the full power and authority as set out in the Partnership Agreement. The Partnership Agreement includes representations, warranties and covenants on the part of the Subscriber that he, she or it is not a "non-resident" or a partnership (other than a "Canadian partnership") for the purposes of the Tax Act, a "non-Canadian" within the meaning of the *Investment Canada Act*, that he, she or it will maintain such status during such time as the Units are held by him, her or it, that no interest in the Subscriber is a "tax shelter investment" as that term is defined in the Tax Act, and that his, her or its acquisition of the Units has not been financed with borrowings (except the requirement to pay the Second Instalment to the Partnership) for which recourse is, or is deemed to be, limited within the meaning of the Tax Act. In the Partnership Agreement, each Subscriber will represent and warrant that (i) the Subscriber is not a Financial Institution, and (ii) the Subscriber is not a Resource Company and deals at arm's length within the meaning of the Tax Act with any Resource Company, Subsidiary Company, the General Partner or any Oil & Gas Co that is a party to a Joint Venture Agreement unless, in all cases, such Subscriber has provided written notice to the contrary to the General Partner prior to the date of acceptance of the Subscriber's subscription for Units. See "How to Subscribe for Units".

As of the date of this prospectus, the Partnership does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not currently intend to apply to list or quote any of its securities on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The federal tax shelter identification number in respect of the Partnership is TS 074708. The identification number issued for this tax shelter must be included in any income tax return filed by the Subscriber. Issuance of the identification number is for administrative purposes only and does not in any way confirm the entitlement of the Subscriber to claim any tax benefits associated with the tax shelter.

Canaccord Capital Corporation, Dundee Securities Corporation, HSBC Securities (Canada) Inc., Blackmont Capital Inc., Raymond James Ltd., Manulife Securities Incorporated, M Partners Inc., Research Capital Corporation, Wellington West Capital Markets Inc., Acumen Capital Finance Partners Limited, Industrial Alliance Securities Inc., Integral Wealth Securities Limited, Laurentian Bank Securities Inc., PI Financial Corp. and Rothenberg Capital Management Inc. (collectively, the “Agents”) conditionally offer the Units for sale on an agency basis, if, as and when subscriptions are accepted by the General Partner on behalf of the Partnership, in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to approval of certain legal and tax matters on behalf of the Partnership and the General Partner by Borden Ladner Gervais LLP and on behalf of the Agents by Blake, Cassels & Graydon LLP.

Subscriptions will be received subject to allotment by the Agents and subject to acceptance or rejection by the General Partner on behalf of the Partnership, in whole or in part, and the right is reserved to close the Offering books at any time without notice. It is expected that the initial Closing will take place on or about December 30, 2008. The Agents will hold subscription proceeds received from Subscribers prior to the initial Closing and any subsequent closing. There will be no Closing unless subscriptions for the minimum Offering have been received and other closing conditions of the Offering have been satisfied. If the minimum Offering is not subscribed for within 90 days from the date of the issuance of the receipt for the final prospectus, this Offering may not continue and subscription proceeds received will be returned, without interest or deduction, to the Subscribers. If less than the maximum number of Units are subscribed for at the initial Closing Date, subsequent Closings may be held on or before March 15, 2009. Registrations and transfers of Units will be effected only through the book-based system administered by CDS Clearing and Depository Services Inc. (“CDS”). The Units pledged to the Partnership as security for the obligation to pay the Second Instalment will be registered in the name of Valiant and held by Valiant. Upon payment of the Second Instalment by a Unitholder, the Units acquired will be reflected in a new book-based global certificate issued to CDS. No holder of a Unit will be entitled to a physical certificate evidencing that person’s interest or ownership and a purchaser of Units will receive only a customer confirmation from the registered dealer who is a CDS Participant and from or through whom the Units are purchased. See “Plan of Distribution – Book Based System”.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Borden Ladner Gervais LLP, counsel to the Partnership and the General Partner, and Blake, Cassels & Graydon LLP, counsel to the Agents, the Units are not “qualified investments” for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans or tax-free savings accounts for purposes of the Tax Act.

HOW TO SUBSCRIBE FOR UNITS

A Subscriber must purchase at least 50 Units and pay \$100.00 per Unit. If a Subscriber purchases Units on or before December 31, 2008, Units may be paid for in two instalments as follows: (i) the First Instalment (\$25.00 per Unit) is payable upon the Closing of the Offering; and (ii) the Second Instalment (\$75.00 per Unit) is payable on or before March 31, 2009. Subscribers purchasing Units in 2009 must pay the whole Subscription Price upon the Closing of the Offering, and Subscribers purchasing Units in 2008 may choose to pay the whole Subscription Price upon Closing. Payment of the purchase price may be made either by direct debit from the Subscriber’s brokerage account or by certified cheque or bank draft made payable to an Agent or a registered dealer or broker who is a member of the selling group. Prior to each Closing, all certified cheques and bank drafts will be held by the Agents or selling group members. No certified cheques or bank drafts will be cashed prior to the relevant Closing.

The General Partner has the right to accept or reject any subscription and will promptly notify each prospective Subscriber of any such rejection. All subscription proceeds of a rejected subscription will be returned, without interest or deduction, to the rejected Subscriber.

THE ACCEPTANCE BY THE GENERAL PARTNER (ON BEHALF OF THE PARTNERSHIP) OF A SUBSCRIBER’S OFFER TO PURCHASE UNITS (MADE THROUGH A REGISTERED DEALER OR BROKER), WHETHER IN WHOLE OR IN PART, CONSTITUTES A SUBSCRIPTION AGREEMENT BETWEEN THE SUBSCRIBER AND THE PARTNERSHIP, UPON THE TERMS AND CONDITIONS SET OUT IN THIS PROSPECTUS AND THE PARTNERSHIP AGREEMENT.

The foregoing subscription agreement shall be evidenced by delivery of the final prospectus to the Subscriber, provided that the subscription has been accepted by the General Partner on behalf of the Partnership. Joint subscriptions for Units will be accepted.

Pursuant to the Partnership Agreement, each Subscriber, among other things:

- (i) consents to the disclosure of certain information to, and the collection and use by, the General Partner and its service providers, including such Subscriber’s full name, residential address or address for service, social insurance number or the corporation account number, as the case may be, for the purpose of administering such Subscriber’s subscription for Units;
- (ii) acknowledges that the Subscriber is bound by the terms of the Partnership Agreement and is liable for all obligations of a Limited Partner (including the requirement to pay the Second Instalment);
- (iii) makes the representations and warranties and covenants set out in the Partnership Agreement, including, among other things, that (a) the Subscriber is not a “non-resident” for the purposes of the Tax Act, a “non-Canadian” within the meaning of the ICA and that the Subscriber will maintain such status during such time as the Units are held by the Subscriber; (b) no interest in the Subscriber is a “tax shelter investment” as that term is defined in the Tax Act; (c) the Subscriber’s acquisition of the Units has not been financed with borrowings (except the requirement to pay the Second Instalment to the Partnership) for which recourse is, or is deemed to be, limited within the meaning of the Tax Act; (d) unless the Subscriber has provided written notice to the contrary to the General Partner prior to the date of becoming a Limited Partner, such Subscriber is not a Financial Institution and such Subscriber will continue not to be a Financial Institution during such time as Units are held by such Subscriber; (e) the Subscriber is not a Resource Company and deals at arm’s length within the meaning of the Tax Act with any Resource Company, Subsidiary Company, the General Partner or any Oil & Gas Co that is a party to a Joint Venture Agreement unless, in all cases, such Subscriber has provided written notice to the contrary to the General Partner prior to the date of acceptance of the Subscriber’s subscription for Units; and (f) the Subscriber is not a partnership (except a “Canadian partnership” for purposes of the Tax Act);

- (iv) irrevocably nominates, constitutes and appoints the General Partner as its true and lawful attorney with full power and authority as set out in the Partnership Agreement;
- (v) irrevocably authorizes the General Partner to transfer the assets of the Partnership and implement the dissolution of the Partnership in connection with any Offers or a Liquidity Event;
- (vi) irrevocably authorizes the General Partner to file on behalf of the Subscriber all elections under applicable income tax legislation in respect of any such Offers or a Liquidity Event or the dissolution of the Partnership; and
- (vii) covenants and agrees that all documents executed and other actions taken on his, her or its behalf as a Limited Partner pursuant to the power of attorney as set out in the Partnership Agreement will be binding on him, her or it and agrees to ratify any such documents or actions on request of the General Partner.

Subscription proceeds from this Offering will be received by the Agents, or such other registered dealers or brokers as are authorized by the Agents, and held in trust in a segregated account until subscriptions for the minimum Offering are received and other closing conditions of this Offering have been satisfied. If the minimum amount required for this Offering is not subscribed for within 90 days from the date of the issuance of the receipt for the final prospectus, this Offering may not continue and the subscription proceeds will be returned to Subscribers, without interest or deduction, unless consent is obtained from the Canadian securities regulatory authorities and those who have subscribed for Units on or before such date.

SCHEDULE OF EVENTS

<u>Approximate Date</u>	<u>Event</u>
On or about December 30, 2008 until March 15, 2009	Multiple Closings – Subscribers purchasing Units in 2008 may choose to pay \$25.00 per Unit, representing 25% of the full purchase price of \$100.00 per Unit. Subscribers purchasing Units in 2009 must pay the full purchase price of \$100.00 per Unit.
March/April, 2009	Limited Partners that purchased Units prior to December 31, 2008 receive 2008 T5013 federal tax receipt.
March 31, 2009	Limited Partners that purchased Units in 2008 are required to pay the remaining \$75.00 per Unit for each Unit held by them.
March/April, 2010.....	Limited Partners receive 2009 T5103 federal tax receipt.
On or prior to December 31, 2011	General Partner intends to implement a Liquidity Event.
On or about December 31, 2012.....	Partnership will be dissolved on or about this date (unless a Liquidity Event has previously been implemented or, at the discretion of the General Partner, the General Partner places before and Limited Partners approve an Extraordinary Resolution to continue operations).

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Certain statements in this prospectus as they relate to the Partnership and the General Partner are “forward-looking statements”. In addition to the information contained in the section called “Selected Financial Aspects”, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “does not expect”, “is expected”, “anticipates”, “does not anticipate”, “plans”, “estimates”, “believes”, “does not believe” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or achieved) are not statements of historical fact and may be “forward-looking statements”. Forward-looking statements are based on expectations, estimates and projections at the time the statements are made (including the assumptions set out in the section called “Selected Financial Aspects”) that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. These include, but are not limited to, the risks of the business of the Partnership. See “Risk Factors”. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this prospectus, and neither the Partnership, the General Partner, the Promoters nor the Agents undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable laws.

NON-GAAP MEASURES

In addition to financial measures prescribed by Canadian generally accepted accounting principles (“GAAP”) certain non-GAAP measures are used in this prospectus. Distributable Cash is not a recognized measure under GAAP.

References to Distributable Cash are to cash available for distribution to Limited Partners in accordance with the planned distribution of surplus funds of the Partnership as described in this prospectus. Distributable Cash is presented in this prospectus as the General Partner’s intention to cause the Partnership to make quarterly distributions, as available, and it is therefore a useful financial measure of the Partnership’s ability to make such distributions. It is also a measure generally used by investors in Canada as an indicator of financial performance. One of the factors that may be considered relevant by prospective investors is the cash available to be distributed by the Partnership relative to the price or value of the Units. The General Partner believes that Distributable Cash is a useful supplemental measure that may assist investors to assess an investment in Units. Investors are cautioned, however, that these measures should not be construed as an alternative to net income (loss) as determined in accordance with GAAP as an indicator of the Partnership’s financial performance or cash flows from operations. The Partnership’s method of calculating these measures will be consistent from year to year but may be different than that used by other companies.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Certain capitalized terms used but not defined in this summary are defined in the Glossary which immediately follows this summary.

Issuer:	WCSB Oil & Gas Royalty Income 2008-II Limited Partnership
Securities Offered:	Limited Partnership Units.
Offering Size:	Maximum Offering: \$40,000,000 (400,000 Units) Minimum Offering: \$3,000,000 (30,000 Units)
Minimum Subscription:	50 Units (\$5,000).
Price:	<p>\$100.00 per Unit, of which \$25.00 is payable on Closing if purchased in 2008.</p> <p>Under the terms of the limited partnership agreement governing the Partnership, the subscription price of \$100.00 per Unit (the "Subscription Price") is payable in two instalments if the Units are purchased in 2008. The first instalment of \$25.00 (the "First Instalment") is payable on Closing. The second instalment of \$75.00 (the "Second Instalment") is payable on or before March 31, 2009. While such Units will be issued at Closing, they will not be fully paid until the Second Instalment has been paid, and the Units will be pledged to the Partnership as continuing security for the payment of the Second Instalment. Subscribers purchasing Units in 2009 must pay the whole Subscription Price upon the Closing of the Offering, and Subscribers purchasing Units in 2008 may choose to pay the whole Subscription Price upon Closing and in each such case, the Units issued will be fully paid.</p> <p>If a holder of a Unit does not pay the Second Instalment on or before March 31, 2009 (the "Second Instalment Date"), the Units held by such holder may, subject to applicable law, among other available remedies, be declared to be forfeited to the Partnership in full or partial satisfaction of the obligations to pay the Second Instalment, or such Units may be sold and the holder of the Unit will remain liable for any deficiency in the proceeds of the sale. See "Summary of the Partnership Agreement – Liability for Unpaid Instalment".</p>
Rationale:	<p>WCSB Oil & Gas Royalty Income 2008-II Management Corp., the General Partner of the Partnership, believes that the fundamental long-term outlook for the Canadian energy sector is attractive. The General Partner believes that significant volatility in energy prices will continue over the short term but over the medium to longer term, issuers involved in the development and production of oil and natural gas will realize strong cash flow and profits attributable to attractive commodity prices driven by global demand, limited excess production capacities and restrictive supplies. The Partnership has been established to provide investors with a means of achieving income, potential capital appreciation and liquidity and significant tax deductions through the ownership in royalties on the production of oil & natural gas, while avoiding exposure to the market volatility associated with securities of public energy issuers in the near term.</p>

The Partnership's unique structure allows Limited Partners to directly participate in oil and gas investments that are typically funded through private equity investments not available to individual investors because of high minimum investment thresholds and the requirement for specific geological and engineering expertise to evaluate the opportunities. In addition, by splitting the purchase price for the Units into instalments, the Partnership has attempted to match the timing of the General Partner's anticipated requirements for capital to fund its obligations pursuant to Joint Venture Agreements with the timing of the Limited Partner's Second Instalment payment and also with the timing of the tax deductions to be provided to Limited Partners that qualify therefor.

Investment Objectives:

The Partnership's investment objectives are to provide Limited Partners with:

- (a) income;
- (b) capital appreciation;
- (c) potential liquidity; and
- (d) a tax deductible investment,

all through participation in the production of, and to a lesser extent the exploration for, oil and natural gas.

Investment Strategy:

The Partnership intends to achieve its investment objectives by investing in Flow-Through Shares of one or more Subsidiary Companies. The Subsidiary Companies will be formed with the sole purpose of entering into one or more Joint Ventures with established Oil & Gas Cos, the terms of which will provide the Subsidiary Companies with a Gross Over-Riding Royalty. The objectives of each Joint Venture will be to achieve a Gross Over-Riding Royalty from all production (if any) earned from each Program and to satisfy the investment objectives outlined herein.

The Partnership will use its commercially reasonable efforts to invest the Initial Net Proceeds received in 2008 in Flow-Through Shares of Subsidiary Companies on or before December 31, 2008 pursuant to Investment Agreements requiring that the Subsidiary Companies incur CEE or Qualifying CDE, and renounce all these expenses effective not later than such date. The Partnership will use its commercially reasonable efforts to invest any Initial Net Proceeds received in 2009 and the Subsequent Net Proceeds in Flow-Through Shares of Subsidiary Companies on or before December 31, 2009 pursuant to Investment Agreements requiring that the Subsidiary Companies renounce all Eligible Expenditures effective not later than December 31, 2009. It is the objective of the Partnership and its Subsidiary Companies to renounce 70% of Eligible Expenditures to Partners as CDE and, as to the balance, as CEE or Qualifying CDE. The amount of CDE, CEE and Qualifying CDE renounced by the Subsidiary Companies to the Partnership and allocated by the Partnership to the Limited Partners will depend on opportunities available at the time the Subsidiary Companies enter into Joint Venture Agreements. Renounced amounts are expected to be up to approximately 83% of a Limited Partner's subscription amount in the case of the minimum Offering and up to approximately 87% of a Limited Partner's subscription amount in the case of the maximum Offering. Any Initial Net Proceeds received in 2008 that have not been committed by the Partnership to purchase Flow-Through Shares on or before December 31, 2008 will be distributed by February 15, 2009 on a *pro rata* basis to Limited Partners of record as at December 31, 2008. Any Initial Net Proceeds received in 2009 and any Subsequent Net Proceeds that have not been committed by the Partnership to purchase Flow-Through Shares on or before December 31, 2009 will be distributed by February 15, 2010 on a *pro rata* basis to Limited Partners of record as at December 31, 2009. Subject to

certain limitations, Limited Partners with sufficient income will be entitled to claim deductions for Canadian federal income tax purposes with respect to Eligible Expenditures incurred and renounced to the Partnership. All investments will be made in accordance with the Partnership's Investment Strategy and Investment Guidelines, as described in this prospectus. See "The Partnership – Investment Objectives and Strategy" and "The Partnership – Investment Guidelines".

Subsidiary Companies will enter into Joint Venture Agreements with Oil & Gas Cos to conduct Programs in target areas, with an emphasis on targets located in the Western Canadian sedimentary basin. The Subsidiary Companies will incur Eligible Expenditures pursuant to the Programs and will renounce them to the Partnership, which will in turn be allocated to the Limited Partners. Generally, the Oil & Gas Cos will act as operators of the Programs and the obligations of the Subsidiary Companies to the Joint Ventures will be limited to their initial capital contributions, and the Subsidiary Companies will be entitled to a Gross Over-Riding Royalty interest on production (if any) earned from the Program. The Distributable Cash generated by these royalty payments (if any), after deducting the Operating Reserve and the General Partner's Share, is anticipated to be distributed to Limited Partners on a quarterly basis (or on such other dates as may be determined by the General Partner).

The Partnership intends to maximize returns and tax deductions for Limited Partners through the application of intensive fundamental and technical analysis, both at the company and industry level in selecting Joint Ventures with Oil & Gas Cos that:

- (i) have proven, experienced and reputable management teams with a defined track record of growing production and generating shareholder value – through the drill bit;
- (ii) have in place attractive and preferably multi-zone potential assets with well defined low to medium risk development and in the opinion of the General Partner represent lower risk exploration programs;
- (iii) have readily available processing and pipeline infrastructures in place or the necessary capital available and the commitment to develop all required infrastructure on a timely basis;
- (iv) offer Joint Venture terms that, in the opinion of the General Partner, represent good value and the potential for income distributions and attractive capital appreciation; and
- (v) meet certain other criteria set out in the investment guidelines of the Partnership.

The Partnership intends to invest in Programs with limited exposure to higher risk exploration programs. Target areas are anticipated to predominantly include "drill ready development prospects" and suspected bypassed hydrocarbons situated in active production areas with existing infrastructure. Programs may include participation in the development of seismic data to define drilling prospects, but no Program will be limited to the collection of seismic data. The Partnership shall give preference to those Programs that have the potential for the Subsidiary Company to earn a Gross Over-Riding Royalty.

Investment Guidelines:

The General Partner, with the assistance of a Technical Advisor, where appropriate, will evaluate and assess, and will be responsible for selecting, negotiating and managing, the Subsidiary Companies' Joint Ventures. While participation in Joint Ventures will depend largely on investment opportunities available to the Subsidiary Companies at the time Available Funds are invested, the General Partner has developed the following guidelines which it will follow when entering into Joint Ventures:

- **Royalty Payments:** The terms of any Joint Venture Agreement will entitle the Subsidiary Company to a Gross Over-Riding Royalty from all production earned under a Program. Any properties on which the Programs are carried out will be acquired pursuant to industry standard agreements. All oil and natural gas expenditures incurred, and rights that may thereby be earned by Subsidiary Companies through a Joint Venture will be governed by the industry standard operating procedure that will form part of the particular Joint Venture Agreement;
- **Development Favoured over Exploration Programs:** Programs will target Development Wells that: (a) are advanced and located in areas with sufficient infrastructure so that successful wells can be tied-in on a timely manner or that it is reasonable to anticipate that a meaningful valuation of any reserves attributable to the Subsidiary Company's interest in the Joint Venture may be performed by a Technical Advisor; (b) have low exposure to high risk exploration wells; and (c) have target areas which include drill-ready and where possible multi-zone prospects situated in active areas with reasonably close or existing infrastructure;
- **Private/Public independent and well established Oil & Gas Cos:** A Subsidiary Company may participate in a Joint Venture with a private or public company, trust or partnership. The key determinants for deciding to participate in a Joint Venture will be: (a) the General Partner's assessment that the Program is well designed; and (b) that the Oil & Gas Co has a strong and capable management team, with a track record of successfully exploiting reserves and with a majority of senior officers having ten or more years of experience in the oil and/or natural gas industry;
- **Sufficient Capitalization:** Each Subsidiary Company will only participate in Joint Ventures with Oil & Gas Cos which have reasonably demonstrated to the General Partner that they possess sufficient funds or have the ability to access sufficient funds to cover their share of costs in connection with any Program, which include the costs associated with tie-ins, any necessary processing facilities or pipelines and operational capital;
- **Technical Analysis:** Each Subsidiary Company will only participate in a Joint Venture if the Joint Venture is engaged in a development or exploration Program(s) that has been subject to a complete technical analysis by the General Partner or its technical consultants inclusive of geophysical, geological and analogous comparisons, and that have proprietary land positions and drill-ready prospects which can be reviewed and confirmed by one or more such parties;
- **Low to Medium Risk Joint Venture Programs:** The Subsidiary Companies will participate in Joint Ventures with Oil & Gas Cos that, collectively with all other Joint Ventures of the other Subsidiary Companies, are anticipated to comprise a reasonably balanced portfolio of joint ventures with various risk opportunities including Programs which in the opinion of the General Partner constitute low to moderate risk exploration wells such as new pool wildcat, deeper pool test and shallower pool test Programs;

- **Multi-Zone Targets:** To reduce a joint venture's economic risk, the General Partner's preference will be that Subsidiary Companies enter into Joint Ventures with Oil & Gas Cos undertaking production and/or exploration programs that offer Multi-Zone Completion opportunities;
- **Maximum Single Well Exposure:** A Subsidiary Company's maximum capital expenditure dedicated to the drilling and/or completion of any single well will not exceed the greater of: (a) \$1.5 million; (b) 70% of the total cost per well; and (c) 25% of the Gross Proceeds of the Partnership. In addition, except as may be agreed to in respect of Earned Interests, the terms of the Joint Venture Agreements will not require the Subsidiary Companies to be responsible for Crown royalties, well maintenance, work-overs, re-completion or abandonment costs;
- **Minimum Contributions by Oil & Gas Companies** that the Oil & Gas Cos who are party to the Joint Venture Agreement will contribute not less than 30% of the total cost, including land, seismic, engineering and other related costs, of each Program;
- **Potential Investor Liquidity:** The General Partner will use commercially reasonable efforts to cause the Joint Venture Agreements to obligate each Oil & Gas Co to make an Offer; and
- **Earned Interests:** Certain joint ventures may lead to the opportunity for the Partnership or Subsidiary Companies to have rights to participate in further Programs. These additional opportunities ("Earned Interests"), if any, will be assessed subject to compliance to the Investment Guidelines, other than the guideline that the Earned Interests must entitle the Subsidiary Company to a Gross Over-Riding Royalty. The nature of the Subsidiary Company's interest in Earned Interests will be evaluated at the time the Earned Interests arise.

Distributions:

The General Partner intends to cause the Partnership to distribute its Distributable Cash (provided that such Distributable Cash exceeds \$1.00 per Unit) quarterly (or on such other dates as the General Partner may determine), commencing in June 2009. Any Distributable Cash would be derived primarily from the payment of dividends on Flow-Through Shares by Subsidiary Companies. **Distributable Cash available for distribution to Limited Partners could vary substantially and there is no assurance that the Partnership will make any such distributions. See "Risk Factors".** Offering Shares may be issued to the Partnership as consideration under Offers and subsequently distributed to Partners. See "Potential Liquidity – Offers" and "Summary of the Partnership Agreement". The Partnership may also make from time to time such additional Distributions as the General Partner may determine to be appropriate. See "Plan of Distribution" and "Summary of the Partnership Agreement".

General Partner:

WCSB Oil & Gas Royalty Income 2008-II Management Corp. is the General Partner of the Partnership and has co-ordinated the formation, organization and registration of the Partnership. The General Partner will: (i) be responsible for selecting, negotiating and managing the Subsidiary Companies' Joint Ventures; (ii) work with the Agents in developing and implementing all aspects of the Partnership's communications, marketing and distribution strategies; and (iii) manage the ongoing business and administrative affairs of the Partnership. See "The General Partner".

Technical Advisors:

The General Partner may engage, on behalf of the Partnership, one or more professional engineering, geological, geophysical or other similar companies or persons (each a “Technical Advisor”) to assist, where the General Partner considers it appropriate, with the evaluation of prospective Joint Ventures, and to conduct a valuation of a Subsidiary Company’s Flow-Through Shares that are the subject of an Offer. The General Partner will engage a Technical Advisor that is independent of the General Partner, the Promoters and their respective affiliates and associates to evaluate any prospective Joint Ventures with, and to conduct valuations in respect of Offers from, private companies that are not at arm’s length to the General Partner, the Promoters or their respective affiliates and associates. Currently, the General Partner has engaged Canadian Discovery to act as a Technical Advisor. In addition, Brickburn, which is one of the Promoters of the Offering, will provide geological, geo-physical, land, engineering and economic review, project analysis and evaluation services in connection with the evaluation of potential Joint Venture opportunities on behalf of the Partnership, and is reimbursed for its expenses in connection therewith. See “Fees, Charges and Expenses Payable by the Partnership – Geological and Engineering Expense Reimbursement”. Technical Advisors may be engaged on behalf of the Subsidiary Companies in the future, as appropriate. The Technical Advisors may be paid a fee from proceeds of this Offering and/or an ongoing fee from any production revenues. See “Technical Advisors”.

Potential Liquidity:

There is no market for the Units and it is not anticipated that any market will develop. The intention of the General Partner is to manage the Partnership so that Limited Partners may achieve a return on their investment and liquidity over the term of the Partnership, principally through:

- the distribution of any Distributable Cash received *via* dividends declared and paid on the Flow-Through Shares by the Subsidiary Companies; and
- the distribution of Offering Shares following the sale, pursuant to an Offer, of the Flow-Through Shares of a Subsidiary Company.

Although the General Partner will use its commercially reasonable efforts to ensure that all Joint Venture Agreements obligate the Oil & Gas Cos to make an Offer, there can be no assurance that this will be the case. The General Partner may, if it considers appropriate, not distribute Offering Shares directly to Limited Partners and may retain them in the Partnership’s portfolio of assets, or may convert them to cash and retain the cash in the Partnership’s portfolio. It may also be that the Partnership is unable to complete Offers and will retain the Flow-Through Shares of the Subsidiary Companies. If assets, including Offering Shares and/or Flow-Through Shares, have not previously been distributed to the Limited Partners and remain in the Partnership prior to December 31, 2011, the General Partner intends to implement a Liquidity Event on or before December 31, 2011. The General Partner presently anticipates that the Liquidity Event will be either a Mutual Fund Rollover Transaction or a Stock Exchange Listing. The Liquidity Event will be implemented on not less than 21 days’ prior written notice to the Limited Partners. The General Partner may, in its sole discretion, call a meeting of Limited Partners to approve a Liquidity Event but intends to do so only if the actual terms of the Liquidity

Event are substantially different from those presently intended. If such a meeting is called, no Liquidity Event will be implemented if a majority of Units voted at such meeting vote against proceeding with the Liquidity Event. **There can be no assurance that any such Liquidity Event will be proposed, receive the necessary approvals (including regulatory approvals) or be implemented.** In the event a Liquidity Event is not implemented by December 31, 2011, then, in the discretion of the General Partner, the Partnership may (a) be dissolved on or about December 31, 2012, and its net assets distributed *pro rata* to the Partners, or (b) subject to the approval by Extraordinary Resolution of the Limited Partners, continue in operation.

Offers and any Liquidity Event will be subject to the receipt of all necessary regulatory and other approvals. **There can be no assurance that all necessary approvals will be received in order to complete any Offers or a Liquidity Event.** See “Potential Liquidity” and “Risk Factors”.

Use of Proceeds:

This is a blind pool offering. The Partnership will invest the Available Funds in Flow-Through Shares of Subsidiary Companies and will fund fees and ongoing expenses of the Partnership out of the proceeds of the Offering and by way of the Operating Reserve as described herein. See “Use of Proceeds”. The following table sets out the Gross Proceeds of the Offering, the Agents’ fees, the estimated expenses and the Initial Net Proceeds and Subsequent Net Proceeds of the maximum and minimum Offering:

	Maximum Offering⁽¹⁾	Minimum Offering⁽¹⁾
Gross Proceeds to the Partnership:	\$40,000,000	\$3,000,000
Total First Instalments	\$10,000,000	\$750,000
Agents’ fees	\$2,900,000	\$217,500
Offering expenses ⁽²⁾	\$640,000	\$157,500
Operating Reserve	\$690,000	\$90,000
Geological and Engineering Expense Reimbursement.....	\$800,000	\$60,000
Initial Net Proceeds available for investment	\$4,970,000	\$225,000
Total Second Instalments and proceeds from Units sales in 2009 ⁽³⁾	\$30,000,000	\$2,250,000
Operating Reserve	Nil	Nil
Subsequent Net Proceeds available for investment	\$30,000,000	\$2,250,000
Total Available Funds	\$34,970,000	\$2,475,000

⁽¹⁾ Assumes all Units are sold prior to December 31, 2008, and all purchasers elect to pay in instalments.

⁽²⁾ The Offering expenses (including the costs of creating and organizing the Partnership and the Subsidiary Companies, the costs of printing and preparing the prospectus, legal expenses of the Offering, marketing expenses and legal and other reasonable out-of-pocket expenses incurred by the Agents and other incidental expenses) in the case of the minimum Offering are expected to be \$172,500. However, in the event Offering expenses exceed 5.25% of the Gross Proceeds (or \$157,500 in the case of the minimum Offering), the General Partner will be responsible for the shortfall.

⁽³⁾ Assuming that the Second Instalment is paid in full for each Unit sold in 2008 pursuant to the Offering.

**Canadian Federal Income
Tax Considerations:**

In general, a taxpayer (other than a “principal-business corporation”) who is a Limited Partner at the end of a fiscal year of the Partnership may, in computing his or her income for a taxation year in which the fiscal year of the Partnership ends, subject to the “at-risk” and limited recourse financing rules, deduct an amount equal to 30% of CDE, on a year-by-year declining balance basis, and equal to 100% of CEE and Qualifying CDE renounced to the Partnership by Subsidiary Companies and allocated to him or her by the Partnership in respect of such fiscal year. If a Limited Partner finances the subscription price of his or her Units with borrowing or other indebtedness (except the requirement to pay the Second Instalment to the Partnership) that is, or is deemed to be, a limited recourse amount, the deductions that the Limited Partner may claim will be reduced or eliminated.

Income and capital gains realized by the Partnership will be allocated to the Limited Partners. The Tax Act deems the cost to the Partnership of Flow-Through Shares which it acquires to be nil and, therefore, the amount of any capital gain realized on the disposition of Flow-Through Shares generally will equal the proceeds of disposition of the Flow-Through Shares, net of reasonable costs of disposition. There can be no assurance that any distributions of cash to Limited Partners will be sufficient to satisfy a Limited Partner’s tax liability for the year arising from his or her status as a Limited Partner.

A disposition of Units by a Limited Partner may trigger capital gains (or capital losses). One-half of capital gains allocated to or realized by a Limited Partner will be included in his or her income.

The Tax Act generally will treat as a capital gain or loss to the Limited Partner any forfeiture of Units to the Partnership or sale thereof as a full or partial remedy to the Partnership if the Limited Partner does not pay the Second Instalment on or before the Second Instalment Date. Recent judicial decisions in Canada suggest that partners, including limited partners are, in that capacity, necessarily dealing with each other (and presumably with the partnership) on a non-arm’s length basis. One effect of these decisions is that, on such forfeiture or sale, the Limited Partner will be deemed for the purposes of the Tax Act to have effected such disposition for fair market value and be taxed accordingly, even if the partner receives no proceeds or proceeds that are less than fair market value.

Upon the dissolution of the Partnership, each Limited Partner will acquire his or her *pro rata* portion of the net assets of the Partnership, which may include securities of Subsidiary Companies then held by the Partnership. A dissolution may trigger capital gains (or capital losses) to Limited Partners; however, if certain requirements in the Tax Act are satisfied, such a distribution may occur on a tax-deferred basis.

If the Partnership accepts an Offer from an Oil & Gas Co under which there is an exchange of all or part of the Partnership’s Flow-Through Shares (the “Sold Shares”) solely for Offering Shares and provided the Partnership does not include in computing income any portion of the gain or loss arising on the exchange, the Partnership generally will be deemed under the Tax Act to have disposed of the Sold Shares for an amount equal to the adjusted cost base to the Partnership of the Sold Shares, and the cost to the Partnership of the Offering Shares received from the Oil & Gas Co on the exchange will be deemed to be equal to the adjusted cost base to the Partnership of the Sold Shares. Accordingly, in that event no capital gain (or capital loss) will be realized by the Partnership on the exchange.

In the event that the Partnership enters into such an agreement with an Oil & Gas Co for the exchange of the Sold Shares for a combination of Offering Shares and some other consideration (for example, cash), the tax treatment described in the preceding paragraph will not be available. In that event, the Partnership's proceeds of disposition of the Sold Shares will generally be equal to the fair market value of the consideration received, net of any reasonable costs of making the disposition.

As an alternative to the rules governing an exchange of Flow-Through Shares reviewed immediately above, the Partnership, all Partners and the Oil & Gas Co may jointly sign and file the form prescribed for the purposes of subsection 85(2) of the Tax Act, wherein they elect that the proceeds of disposition of the Sold Shares for the purposes of the Tax Act will be any amount that they may designate provided, generally, that such amount is not greater than the fair market value of the Sold Shares at the time of the exchange nor less than the amount of any non-share consideration paid to the Partnership on the exchange. Accordingly, the proceeds of disposition so determined may give rise to a capital gain to the Partnership.

If the Partnership transfers its interest in its assets to a Mutual Fund pursuant to a Mutual Fund Rollover Transaction, provided the appropriate elections are made and filed in a timely manner, no taxable capital gains will be realized by the Partnership from the transfer. The Mutual Fund will acquire each asset of the Partnership at a cost equal to the lesser of the cost amount thereof to the Partnership and the fair market value of the assets on the transfer date. Provided that the dissolution of the Partnership takes place within 60 days of the transfer of assets to the Mutual Fund, the Mutual Fund Shares will be distributed to the Limited Partners with a cost for tax purposes equal to the cost of the Units held by such Limited Partner. As a result, a Limited Partner will not be subject to tax in respect of such a transaction.

If the Partnership lists the Units for trading on a Designated Stock Exchange pursuant to a Stock Exchange Listing, the Partnership will be a SIFT partnership under the Tax Act. As a SIFT partnership, the Partnership will be subject to partnership-level taxation on its "taxable non-portfolio earnings" as defined in the Tax Act which generally is (i) its income from Canadian business operations, (ii) its income (other than taxable dividends) from "non-portfolio property" as defined in the Tax Act (which includes Flow-Through Shares) and (iii) taxable capital gains from dispositions of "non-portfolio property" at a tax rate comparable to combined federal and provincial general corporate tax rates. Allocations to Limited Partners of the after-SIFT-tax portion of the Partnership's "non-portfolio earnings" are deemed under the Tax Act to be dividends from a taxable Canadian corporation that qualify as "eligible dividends". See "Stock Exchange Listing" under "Canadian Federal Income Tax Considerations".

Subject to a Stock Exchange Listing, the SIFT partnership rules should not apply to the Partnership or to the Limited Partners because the General Partner has advised counsel that the Units or any security of any entity affiliated with the Partnership are not and/or are not proposed to be listed or traded on a stock exchange or other similar public market.

See "Selected Financial Aspects", "Canadian Federal Income Tax Considerations" and "Risk Factors" before purchasing Units.

Each Subscriber should seek independent advice as to the federal, provincial and territorial tax consequences of an investment in Units, including the consequences of any borrowing to finance an acquisition of Units.

Conflicts of Interest:

The General Partner is a wholly-owned subsidiary of the Promoters. The Promoters, the General Partner, certain of their affiliates, certain limited partnerships whose general partner and/or investment advisor is or will be a subsidiary of the Promoters or an affiliate of the Promoters, and the directors and officers of the Promoters and the General Partner are and/or may in the future be actively engaged in a wide range of investment and management activities, some of which are and will be similar to and competitive with those that the Partnership and the General Partner will undertake. As a result, actual and potential conflicts of interest can be expected to arise in the normal course. However, each of the General Partner, the Promoters, CADO Bancorp Ltd. and Brickburn Asset Management Inc. have agreed that for so long as Available Funds remain uncommitted they will first offer any oil and/or natural gas joint venture participation opportunities which are consistent with the Partnership's investment objectives, strategy and investment guidelines to the Partnership before presenting them to any other person or undertaking them themselves. See "Conflicts of Interest".

Risk Factors:

This is a speculative offering. There is no assurance of a positive return on an investment in Units. The tax benefits resulting from an investment in Units are greatest for a purchaser whose income is subject to the highest applicable income tax rate.

This offering is a blind pool offering. As at the date of this prospectus, the Partnership has not identified any Joint Ventures in respect of which Subsidiary Companies will invest.

In addition, investors should consider the following risk factors and the additional risk factors outlined in "Risk Factors" before purchasing Units:

- an investment in the Partnership is appropriate only for Subscribers who have the capacity to absorb a loss of some or all of their investment;
- there is no guarantee that an investment in the Partnership will earn a specified rate of return or any return in the short or long term;
- Limited Partners must be prepared to rely on the expertise of the General Partner in the evaluation of potential Joint Ventures and negotiating Offers;
- the Partnership and the General Partner are newly established entities that have no previous operating or investment history and only nominal assets;
- the General Partner has no prior experience in managing a flow-through limited partnership;
- there is no market through which the Units may be sold and Subscribers may not be able to resell securities purchased under this prospectus. No market for the Units is expected to develop. The Units are non-transferable by a holder until the Second Instalment has been paid in full;
- default by a Limited Partner in the payment of the Second Instalment of the Subscription Price will entitle the Partnership to enforce certain remedies against such Limited Partner, including forfeiture for cancellation of some or all of the Units held by the Limited Partner or a sale thereof by the General Partner on such Limited Partner's behalf, and such default will result in a shortfall of proceeds available for investment which may limit the Partnership's ability to execute its investment strategy and meet its investment objective;

- Subsidiary Companies may not hold or discover commercial quantities of oil, natural gas or minerals and their profitability may be affected by, among other things, adverse fluctuations in commodity prices, exchange rates, liability for environmental damage, competition and government regulation;
- substantial adverse or ongoing economic, business, government or political conditions in various world markets, including the potential for significant fluctuations in the prices of oil and natural gas, may have a negative impact on the ability of the Subsidiary Companies to operate profitably;
- the only sources of cash available to pay the fees and expenses of the Partnership will be the Operating Reserve and Gross Over-Riding Royalty payments. If the Operating Reserve is expended and revenues from Gross Over-Riding Royalty payments are not sufficient to fund ongoing fees and expenses, payment of such fees and expenses will diminish the interest of Limited Partners in the Investment Portfolio;
- there is no assurance that Limited Partners will receive any return on, or repayment of, their capital contributions to the Partnership or their investment in Units;
- Subscribers will not be provided with specific data on Joint Ventures;
- the Available Funds will be expended on Joint Ventures with Oil & Gas Cos and these Oil & Gas Cos may not perform their obligations in accordance with such Joint Venture Agreements, including the requirement (if obtained) to make Offers;
- the possibility of unforeseen title defects in properties subject to Joint Ventures or other resource ownership disputes;
- oil and natural gas exploration and production are high risk activities with uncertain prospects of success;
- there are certain risks inherent in the oil and natural gas industry, including potential claims arising from operational activities, which may or may not be insurable or adequately insured;
- the Partnership, Subsidiary Companies and Oil & Gas Cos must compete against other companies with greater financial strength, experience and technical resources and, as a result, the General Partner may be unable to identify a sufficient number of suitable investment opportunities;
- oil and natural gas operations are subject to extensive governmental regulation which may impact the operations of Subsidiary Companies;
- there can be no assurance that each well in a particular Program will meet the terms of all of the Investment Guidelines;
- the ability of the Partnership and the Subsidiary Companies to borrow to fund obligations in respect of Additional Wells may result in reductions of distributions that might otherwise have been made to Limited Partners, or, alternatively, no such borrowings may be available;
- there can be no assurance that any Liquidity Event will be proposed, receive the necessary regulatory approvals or be implemented or, if implemented, be implemented on a tax-deferred basis;

- if a Liquidity Event is not implemented or if the General Partner has not distributed Offering Shares directly to Limited Partners, Limited Partners may receive securities or other interests in Subsidiary Companies or Resource Companies upon dissolution of the Partnership, for which there may be an illiquid market or which may be subject to resale restrictions. There is no assurance that an adequate market will exist for such securities;
- in the event that Limited Partners receive Mutual Fund Shares in connection with a Liquidity Event, these shares will be subject to various risk factors applicable to shares of mutual fund corporations or other investment vehicles which invest in securities of Canadian companies engaged in the oil and natural gas and mining industries;
- in the event that the General Partner obtains a Stock Exchange Listing of the Units in connection with a Liquidity Event, the Partnership will be considered a “SIFT partnership” as defined in the Tax Act;
- although the General Partner has agreed to use its commercially reasonable efforts, there can be no assurance that the General Partner, on behalf of the Partnership, will be able to invest in Flow-Through Shares of Subsidiary Companies sufficient to permit the Partnership to commit all Available Funds to purchase Flow-Through Shares by December 31, 2008 (in the case of Initial Net Proceeds received in 2008) or by December 31, 2009 (in the case of any Initial Net Proceeds received in 2009 and the Subsequent Net Proceeds) and, therefore, the possibility exists that capital may be returned to Limited Partners and Limited Partners may be unable to claim anticipated deductions from income for income tax purposes;
- if the size of the Offering is significantly less than the maximum, the ability of the General Partner to negotiate and enter into favourable Investment Agreements on behalf of the Partnership may be impaired;
- the possible loss of Limited Partners limited liability under certain circumstances and the unavailability of limited liability under the laws of certain jurisdictions, and the fact that Subscribers will be liable to third parties in respect of their Second Instalment amount even though it may not have been paid at the time the liability arose;
- federal, provincial or territorial income tax legislation may be amended, or its interpretation changed, so as to alter fundamentally the tax consequences of holding or disposing of Units by a Limited Partner;
- tax proposals introduced by the Department of Finance on October 31, 2003, if such proposals were to apply, would deny the deduction of expenses and losses (excluding Eligible Expenditures) incurred by the Partnership or a Limited Partner, including in respect of Flow-Through Shares or Units, respectively if the Partnership or the Limited Partner does not have a “reasonable expectation of profit” from its ownership of the Flow-Through Shares or Units. In 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace the 2003 tax proposals would be released for comment at an early opportunity. There is no assurance such alternative proposal, which the Minister has not yet announced, will not adversely affect the Partnership or Limited Partners;

- Subsidiary Companies may fail to renounce, effective in 2008 or 2009 or at all, Eligible Expenditures equal to the Available Funds invested in Flow-Through Shares and any amounts renounced may not qualify as Eligible Expenditures;
- the alternative minimum tax could limit tax benefits available to a Limited Partner who is an individual (or one of certain types of trusts);
- while the Partnership may make certain distributions to Limited Partners, a Limited Partner may receive an allocation of income and/or capital gains in a year without receiving sufficient distributions from the Partnership for that year to fully pay any tax that he or she may owe as a result of being a Limited Partner in that year;
- the Partnership has engaged the General Partner to perform management services and, consistent with that arrangement, the Partnership intends to deduct management fees payable to the General Partner in computing income in the year in which the services to which they relate are rendered. The CRA may assert that the entitlement of the General Partner to such management fees is more appropriately treated as an entitlement to share in any income of the Partnership as a partner and, therefore, does not result in a deduction in computing the Partnership's income. If CRA successfully applies such treatment, then a loss of the Partnership otherwise allocable to the Limited Partners would be reduced or denied to the extent of such deduction;
- if a Limited Partner acquires Units using limited recourse borrowing (except the requirement to pay the Second Instalment to the Partnership) for tax purposes, the amount of Eligible Expenditures and/or losses allocated to all Limited Partners will be reduced;
- the potential for conflicts of interest as a result of officers and directors of the General Partner being involved in other business ventures some of which are in competition with the business of the Partnership; and
- the Partnership will invest only in securities of Subsidiary Companies engaged in oil and natural gas exploration and/or production, and this focus may result in the value of the portfolio being more volatile than portfolios with a more diversified investment focus and may result in volatility based upon any volatility in the underlying market for commodities produced by those sectors of the economy.

**SUMMARY OF FEES, CHARGES AND EXPENSES
PAYABLE BY THE PARTNERSHIP AND SUBSIDIARY COMPANIES**

Agents' Fees:	\$7.25 (7.25%) per Unit payable at Closing from the First Instalments received in 2008 and \$7.25 (7.25%) per Unit payable on each Closing in 2009.
General Partner's Management Fee:	The Partnership will pay an annual fee in the aggregate amount of 2.0% of the Gross Proceeds, calculated and paid monthly in arrears. See "Fees, Charges and Expenses Payable by the Partnership – General Partner's Fee".
Performance Bonus:	The General Partner will be entitled to 20% of all Distributions made by the Partnership once Limited Partners have received, in total, cumulative Distributions equal to 100% of their aggregate capital contribution to the Partnership. See "Fees, Charges and Expenses Payable by the Partnership – Performance Bonus".
General Partner's Share:	Pursuant to the Partnership Agreement, the Partnership has agreed to cause each Subsidiary Company to grant the General Partner a General Partner's Share, which entitles the General Partner to 10% of each Subsidiary Company's Gross Over-Riding Royalty. This interest will also entitle the General Partner to 10% of the consideration received by each Subsidiary Company in respect of Offers. See "Fees, Charges and Expenses Payable by the Partnership – General Partner's Share".
Expenses of the Offering:	Expenses of this Offering, estimated by the General Partner to be \$157,500 in the case of the minimum Offering and \$640,000 in the case of the maximum Offering, will be paid by the Partnership from the First Instalment amounts received upon the Closing of this Offering. However, in the event these Offering expenses exceed 5.25% of the Gross Proceeds, the General Partner will be responsible for the shortfall. See "Fees, Charges and Expenses Payable by the Partnership – Expenses of this Offering".
Operating and Administrative Expenses:	The Partnership will pay for all reasonable out-of-pocket expenses incurred in connection with the operation and administration of the Partnership from the Operating Reserve. See "Fees, Charges and Expenses Payable by the Partnership – Operating and Administrative Expenses".
Subsidiary Company Geological and Engineering Expense Reimbursement:	Subsidiary Companies will reimburse Brickburn for the geological, geo-physical, land, engineering and economic review, project analysis and evaluation expenses (the "Geological & Engineering Expense Reimbursement") incurred by it in connection with the evaluation of potential Joint Venture opportunities in an amount up to 2.0% of the Gross Proceeds. See "Fees, Charges and Expenses Payable by the Partnership – Geological and Engineering Expense Reimbursement".

GLOSSARY

The following terms used in this prospectus have the meanings set out below:

“**Additional Wells**” means Development Well or Exploration Well opportunities which may arise in addition to, or following, the completion of a Program.

“**affiliate**” has the meaning ascribed to that term in the *Securities Act* (Ontario).

“**Agency Agreement**” means the agreement dated as of December 15, 2008 among the Partnership, the General Partner, the Promoters and the Agents, pursuant to which the Agents have agreed to offer the Units for sale on an agency basis.

“**Agents**” means Canaccord Capital Corporation, Dundee Securities Corporation, HSBC Securities (Canada) Inc., Blackmont Capital Inc., Raymond James Ltd., Manulife Securities Incorporated, M Partners Inc., Research Capital Corporation, Wellington West Capital Markets Inc., Acumen Capital Finance Partners Limited, Industrial Alliance Securities Inc., Integral Wealth Securities Limited, Laurentian Bank Securities Inc., PI Financial Corp. and Rothenberg Capital Management Inc.

“**Available Funds**” means all funds available to the Partnership from the sale of Units for investment. Prior to March 31, 2009, the Available Funds will be equal to the Initial Net Proceeds, and after March 31, 2009, the Available Funds will be equal to the Initial Net Proceeds plus the Subsequent Net Proceeds received by the Partnership.

“**Brickburn**” means Brickburn Asset Management Inc.

“**Business Day**” means a day, other than a Saturday, Sunday or holiday, when banks in the City of Vancouver, British Columbia are generally open for the transaction of banking business.

“**Canadian Discovery**” means Canadian Discovery Ltd.

“**CDE**” or “**Canadian Development Expense**” means Canadian development expense, as defined in subsection 66.2(5) of the Tax Act, which includes certain expenses incurred for the purpose of developing petroleum or natural gas deposits in Canada (including certain drilling expenses), but excludes Qualifying CDE.

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee which, as at the date of this prospectus, is CDS & Co., or a successor thereto.

“**CEE**” or “**Canadian Exploration Expense**” means Canadian exploration expense, as defined in subsection 66.1(6) of the Tax Act, including:

- (a) expenses incurred in a year in drilling an oil or natural gas well if such drilling resulted in the discovery that a natural underground reservoir contains petroleum or natural gas where before the time of the discovery, no person or partnership had discovered that the reservoir contained either petroleum or natural gas and the discovery occurred at any time before six months after the end of the year;
- (b) expenses incurred in a year in drilling an oil and natural gas well if the well is abandoned in the year or within six months after the end of the year without ever having produced; and
- (c) certain expenses incurred for the purpose of determining the existence, location, extent or quality of an accumulation of petroleum or natural gas in Canada.

“**Closing**” means the completion of the purchase and sale of any Units.

“**Closing Date**” means the date of the initial Closing, expected to be December 30, 2008 or such other date as the General Partner and the Agents may agree and includes the date of any subsequent Closing, if applicable, provided that the final Closing shall take place not later than March 15, 2009.

“**CRA**” means Canada Revenue Agency.

“**Designated Stock Exchange**” means a designated stock exchange under the Tax Act.

“**Development Well**” means a well drilled to exploit or develop a hydrocarbon reservoir discovered by previous drilling or a well drilled for long extension of a partially developed pool.

“**Distributable Cash**” of the Partnership at any particular time means: (i) the difference between the amount of Cash held by the Partnership and the amount of the Operating Reserve and the General Partner’s Share at that time; and (ii) at the time of dissolution of the Partnership, shall include the value of any assets of the Partnership required to be distributed *in specie*.

“**Distributions**” means all amounts paid or securities or other property of the Partnership to a Limited Partner in respect of such Limited Partner’s interest or entitlement in the Partnership in accordance with the provisions of the Partnership Agreement.

“**Eligible Expenditures**” means CDE, CEE and Qualifying CDE.

“**Exploration Well**” means a well that is not a Development Well.

“**Extraordinary Resolution**” means a resolution passed by two-thirds or more of the votes cast, either in person or by proxy, at a duly convened meeting of the Limited Partners, or, alternatively, a written resolution signed by Limited Partners holding two-thirds or more of the Units outstanding and entitled to vote on such a resolution at a meeting.

“**Financial Institution**” has the meaning as defined in subsection 142.2(1) of the Tax Act.

“**First Instalment**” means \$25.00 of the Subscription Price in respect of Units sold on or before December 31, 2008, payable upon the applicable Closing.

“**Flow-Through Shares**” means securities of Subsidiary Companies which qualify as flow-through shares, as defined in subsection 66(15) of the *Tax Act*, and in respect of which Subsidiary Companies, pursuant to Investment Agreements, agree to renounce Eligible Expenditures to the Partnership, and includes rights entitling the Partnership to acquire such securities, which rights qualify as flow-through shares for the purposes of the *Tax Act*.

“**General Partner**” means WCSB Oil & Gas Royalty Income 2008-II Management Corp.

“**General Partner’s Fee**” means the fee which the General Partner will receive from the Partnership pursuant to the Partnership Agreement during the period commencing on the Closing Date and ending on the earlier of (a) the effective date of a Liquidity Event, and (b) the date of the dissolution of the Partnership, equal to one-twelfth of 2.0% of the Gross Proceeds for each month of service, calculated and paid monthly in arrears.

“**General Partner’s Share**” means the 10% share of the Gross Over-Riding Royalty granted by each Subsidiary Company to the General Partner, as partial compensation for its services.

“**Geological and Engineering Expense Reimbursement**” means the reimbursement by the Subsidiary Companies to Brickburn of the expenses incurred by Brickburn in connection with the evaluation of potential Joint Venture opportunities in an amount up to 2.0% of the Gross Proceeds.

“**GORR Group**” means all companies, partnerships or other entities which GORR Holdings Corp., the General Partner, or any of their respective affiliates or directors or officers directly or indirectly control, including without limitation any limited partnerships of which the general partner is or is controlled by any of the foregoing persons, and any limited partnership or trust or other issuers of which any such persons are managers.

“**Gross Over-Riding Royalty**” or “**GORR**” means a percentage gross overriding royalty interest in the revenue from the sale of the earned production of a Program, payable to a Subsidiary Company pursuant to a royalty agreement between a Subsidiary Company and an Oil & Gas Co, as applicable.

“**Gross Proceeds**” of the Offering means the total number of Units sold pursuant to the Offering multiplied by \$100.00 per Unit.

“**High Quality Money Market Instruments**” means money market instruments which are accorded the highest rating category by a Canadian Bond Rating Service (A-1) or by Dominion Bond Rating Service (R-1), banker’s acceptances and government guaranteed obligations all with a term of one year or less, and interest-bearing deposits with Canadian banks, trust companies or other like institutions in the business of providing commercial loans, operating loans or lines of credit to companies.

“**ICA**” means the *Investment Canada Act* (Canada).

“**Initial Limited Partner**” means CADO Bancorp Ltd.

“**Initial Net Proceeds**” means the aggregate of the First Instalments received by the Partnership in respect of Units sold on or before December 31, 2008, less the Agents’ Fees, expenses of the Offering and the Operating Reserve, plus the aggregate Subscription Price for Units sold after December 31, 2008 but prior to March 31, 2009, less the Agents’ Fees, expenses of the Offering and the Operating Reserve.

“**Investment Agreements**” means agreements between the Partnership and the Subsidiary Companies pursuant to which the Partnership will agree to subscribe for Flow-Through Shares and the Subsidiary Companies will agree to renounce Eligible Expenditures to the Partnership.

“**Investment Guidelines**” means the Partnership’s investment policies and restrictions contained in the Partnership Agreement. See “The Partnership – Investment Guidelines”.

“**Investment Portfolio**” means the Flow-Through Shares and other securities of Subsidiary Companies acquired by the Partnership with the Available Funds and any securities or cash obtained with proceeds from the sale of such Flow-Through Shares or other securities pursuant to an Offer or otherwise.

“**Investment Strategy**” means the investment strategy of the Partnership as described herein. See “The Partnership – Investment Objectives and Strategy”.

“**Joint Venture**” means a joint venture formed by one of the Subsidiary Companies with one or more Oil & Gas Cos pursuant to a Joint Venture Agreement.

“**Joint Venture Agreement**” means a joint venture or participation agreement entered into between one of the Subsidiary Companies and one or more Oil & Gas Cos under which the Subsidiary Company agrees to participate in the Oil & Gas Cos’ Program.

“**Limited Partner**” means the Initial Limited Partner and each person who is admitted to the Partnership as a limited partner pursuant to the Offering.

“**Limited Recourse Amount**” means a limited-recourse amount as defined in section 143.2 of the Tax Act, which provides currently that a limited-recourse amount means the unpaid principal amount of any indebtedness for which recourse is limited, either immediately or in the future and either absolutely or contingently, and the unpaid principal of an indebtedness is deemed to be a limited recourse amount unless it complies with the following rules:

- (a) *bona fide* arrangements, evidenced in writing, are made, at the time the indebtedness arises, for repayment of the indebtedness and all interest thereon within a reasonable period not exceeding ten years; and
- (b) interest is payable, at least annually, at a rate equal to or greater than the lesser of the prescribed rate of interest under the Tax Act in effect at the time the indebtedness arose, and the prescribed rate of interest applicable from time to time under the Tax Act during the term of the indebtedness, and such interest is paid by the debtor in respect of the indebtedness not later than 60 days after the end of each taxation year of the debtor.

“**Liquidity Event**” means a transaction implemented by the General Partner or, in the General Partner’s sole discretion, proposed for the approval of the Limited Partners in order to provide liquidity and the prospect for long-term growth of capital and for income for Limited Partners, which may include a Mutual Fund Rollover Transaction or Stock Exchange Listing, provided that the General Partner will propose or implement no such transaction which adversely affects the status of the Flow-Through Shares as flow-through shares for purposes of the Tax Act, whether prospectively or retrospectively.

“**Multi-Zone Completion**” means a well that has hydrocarbon pools at more than one stratigraphic level.

“**Mutual Fund**” means a mutual fund corporation as defined in subsection 131(8) of the Tax Act that may be established, recommended or referred to by the General Partner or an affiliate of the General Partner to provide a Liquidity Event.

“**Mutual Fund Rollover Transaction**” means an exchange transaction pursuant to which the Partnership may transfer its assets to a Mutual Fund on a tax deferred basis in exchange for Mutual Fund Shares and within 60 days thereafter the Mutual Fund Shares will be distributed to the Limited Partners, *pro rata*, on a tax deferred basis upon the dissolution of the Partnership.

“**Mutual Fund Shares**” means shares of the Mutual Fund which are redeemable at the option of the holder thereof.

“**Net Income**” and “**Net Loss**” mean, in respect of any fiscal year, the net income (including dividends from the Subsidiary Companies) or net loss of the Partnership in respect of such period, determined in accordance with Canadian generally accepted accounting principles.

“**Offer**” means an offer made by an Oil & Gas Co to a Subsidiary Company pursuant to a Joint Venture Agreement to acquire all of the outstanding Flow-Through Shares of a Subsidiary Company and the General Partner’s Share 30 months after the date the Joint Venture Agreement is entered into, or as soon as practicable thereafter.

“**Offer to Purchase**” means the offer made by a Subscriber, or his or her agent, to subscribe for Units on the terms and conditions described in this prospectus.

“**Offering**” means the offering of Units by the Partnership pursuant to the terms of the Agency Agreement and this prospectus.

“**Offering Shares**” means the common shares or other voting equity securities of an Oil & Gas Co listed and posted for trading on a Designated Stock Exchange, or other securities which, in the opinion of the General Partner, acting reasonably, have liquidity similar to the voting equity securities of a public Oil & Gas Co, which are offered to the Partnership as consideration pursuant to an Offer or cash from the sale of assets.

“**Oil & Gas Cos**” means oil and natural gas companies, trusts or partnerships, or any one oil and natural gas company, trust or partnership, whose principal business(es) includes, directly or indirectly, oil and/or natural gas exploration and/or production.

“**Operating Reserve**” means the amount which the General Partner, acting reasonably and in good faith, determines at that time to be required by the Partnership to meet its current and future expenses, liabilities and commitments (including compensation due to the General Partner and the Geological and Engineering Expense Reimbursement payable to Brickburn) and for such other purposes as may be determined by the General Partner, acting reasonably and in good faith, to be necessary to the conduct of the business of the Partnership.

“**Operator**” means the Oil & Gas Co responsible for managing an exploration and/or production operation pursuant to a Joint Venture Agreement.

“**Ordinary Resolution**” means a resolution passed by more than 50% of the votes cast, either in person or by proxy, at a duly convened meeting of the Limited Partners or, alternatively, a written resolution signed by Limited Partners holding more than 50% of the Units outstanding and entitled to vote on such resolution at a meeting.

“**Partners**” means the Limited Partners and the General Partner.

“**Partnership**” means WCSB Oil & Gas Royalty Income 2008-II Limited Partnership.

“**Partnership Agreement**” means the amended and restated limited partnership agreement dated as of December 15, 2008 between the General Partner, CADO Bancorp Ltd., as Initial Limited Partner, and each person who becomes a Limited Partner thereafter together with all amendments, supplements, restatements and replacements thereof from time to time.

“**Performance Bonus**” means a 20% share of all Distributions to be paid by the Partnership to the General Partner, once Limited Partners have received, in total, cumulative Distributions equal to 100% of their aggregate capital contribution to the Partnership.

“**Program**” means the oil and/or natural gas production and/or exploration program conducted under a Joint Venture Agreement.

“**Promoters**” means GORR Holdings Corp., Brickburn Asset Management Inc. and CADO Bancorp Ltd.

“**Qualifying CDE**” means CDE which may be renounced by a Resource Company under the Tax Act as CEE, but which excludes any CDE which is deemed to qualify as CEE of a Resource Company under subsection 66.1(9) of the Tax Act.

“**Registrar and Transfer Agency Agreement**” means the Registrar and Transfer Agency Agreement to be dated on or before the Closing Date between Valiant and the Partnership.

“**Registrar and Transfer Agent**” means the registrar and transfer agent of the Partnership appointed by the General Partner, the initial registrar and transfer agent being Valiant.

“**Related Corporation**” means a corporation that is related to a Resource Company for the purposes of subsections 251(2) or 251(3) of the Tax Act.

“**Related Entities**” means any company or limited partnership in respect of which the General Partner, the Promoters or any of their respective affiliates, directors or officers, individually or together, beneficially own or exercise direction or control over, directly or indirectly, more than 20% of the outstanding voting securities or act as general partner thereof.

“**Resource Company**” means a corporation which represents to the Partnership that:

- (a) it is a “principal-business corporation” as defined in subsection 66(15) of the Tax Act, which includes corporations whose principal business is oil and natural gas exploration and/or production; and
- (b) it intends (either by itself or through a Related Corporation) to incur Eligible Expenditures in Canada.

“**Second Instalment**” means \$75.00 of the Subscription Price in respect of Units sold on or before December 31, 2008, payable by Limited Partners on or before March 31, 2009.

“**Second Instalment Date**” means March 31, 2009.

“**Stock Exchange Listing**” means the listing of the Units (or the securities of another entity that acquires all or substantially all of the assets of the Partnership) for trading on a Designated Stock Exchange.

“**Subscriber**” means a person who subscribes for Units.

“**Subscription Agreement**” means the subscription agreement formed by the acceptance by the General Partner (on behalf of the Partnership) of a Subscriber’s offer to purchase Units (made through a registered dealer or broker), whether in whole or in part, on the terms and conditions set out in this prospectus and the Partnership Agreement.

“**Subsequent Net Proceeds**” means the aggregate of the Second Instalments received by the Partnership less the Operating Reserve, plus the aggregate Subscription Price for Units sold after March 31, 2009, less the Agents’ Fees, expenses of the Offering and the Operating Reserve.

“**Subscription Price**” means \$100.00, comprised of the First Instalment and the Second Instalment if the Unit is purchased in 2008, or \$100.00 if the Unit is purchased in 2009.

“**Subsidiary Companies**” means one or more corporations to be incorporated by the General Partner on behalf of the Partnership and which will be a Resource Company, whose shares are wholly-owned by the Partnership, and “Subsidiary Company” means any one of them in particular, as the context requires.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time.

“**Taxable Income**” and “**Taxable Loss**” mean, in respect of any fiscal year, the income or loss of the Partnership determined in accordance with the Tax Act.

“**Technical Advisor**” means a professional engineering consultant engaged from time to time by a Subsidiary Company or the General Partner, on behalf of a Subsidiary Company, to provide such Subsidiary Company with technical services with respect to oil and/or natural gas Programs or valuation of the Subsidiary Company’s Joint Venture interest. The current Technical Advisor is Canadian Discovery.

“**Termination Date**” means on or about December 31, 2012, unless the Partnership’s operations are continued in accordance with the Partnership Agreement.

“**TSX**” means the Toronto Stock Exchange.

“**TSXV**” means the TSX Venture Exchange.

“**Unit**” means one unit of limited partnership interest in the Partnership.

“**Valiant**” means Valiant Trust Company.

“Warrants” means warrants exercisable to purchase shares or other securities of a Resource Company (which shares or other securities may or may not be Flow-Through Shares).

“\$” means Canadian dollars.

SELECTED FINANCIAL ASPECTS

An investment in Units will have a number of tax implications for a prospective Subscriber. The following presentation has been prepared by the General Partner to assist prospective Subscribers in evaluating the income tax consequences to them of acquiring, holding and disposing of Units and illustrates potential returns to a Subscriber that might be generated through the Partnership’s participation in typical natural gas and oil multi-well Programs at various commodity prices with an assumed Gross Over-Riding Royalty rate of 15%. The presentation is intended to illustrate certain income tax implications to Subscribers who are Canadian resident individuals (other than trusts) who have purchased \$10,000 of Units (100 Units) in the Partnership and who continue to hold their Units in the Partnership as of December 31, 2008 (in the case of purchases of Units in 2008) and December 31, 2009. **These illustrations are examples only and actual tax deductions may vary significantly. The timing of such deductions may also vary from that shown in the table. In addition, while the General Partner believes the technical assumptions used to calculate potential returns would be representative of a typical multi-well Program, there can be no assurance that all such assumptions will be accurate. Actual returns may vary significantly.** A summary of the Canadian federal income tax considerations for a prospective Subscriber for Units is set forth under “Canadian Federal Income Tax Considerations”. Each prospective Subscriber is urged to obtain independent professional advice as to the specific implications applicable to such a Subscriber’s particular circumstances. The calculations are based on the estimates and assumptions set forth below, which form an integral part of the following illustration. Please note that some columns may not sum due to rounding. Prospective Subscribers should be aware that these calculations do not constitute forecasts, projections, contractual undertakings or guarantees and are based on estimates and assumptions that are necessarily generic and, therefore, cannot be represented to be complete or accurate in all respects.

Illustration of Potential Tax Deductions and At-Risk Capital Calculations

Minimum Offering

Table IA – Illustration of Potential Tax Deductions for Subscribers who purchase Units in 2008 and pay in Instalments

	2008	2009	2010	2011	2012 and beyond	Total
Initial Investment ^(1a)	\$ 2,500	\$ 7,500	\$ -	\$ -	\$ -	\$ 10,000
Tax Deductions						
CDE ⁽⁴⁾	-	1,805	1,263	884	2,063	6,015
CEE ^(2,3)	1,173	1,062	-	-	-	2,235
Issue Costs and other ⁽⁵⁾	625	250	250	250	375	1,750
Total Tax Deductions ⁽⁶⁾	1,798	3,116	1,513	1,134	2,438	10,000

Table IB – Illustration of Potential Tax Deductions for Subscribers who purchase Units in 2009

	2009	2010	2011	2012	2013 and beyond	Total
Initial Investment ^(1b)	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Tax Deductions						
CDE ⁽⁴⁾	2,104	1,473	1,031	722	1,684	7,012
CEE ^(2,3)	1,238	-	-	-	-	1,238
Issue Costs and other ⁽⁵⁾	625	250	250	250	375	1,750
Total Tax Deductions ⁽⁶⁾	3,966	1,723	1,281	972	2,059	10,000

Table II – At-Risk Capital Calculations

	<u>B.C.</u>	<u>Alta.</u>	<u>Sask.</u>	<u>Man.</u>	<u>Ont.</u>	<u>N.B.</u>	<u>N.S.</u>	<u>P.E.I.</u>	<u>Nfld.</u>
2008 Marginal Tax Rate	43.70%	39.00%	44.00%	46.40%	46.41%	46.95%	48.25%	47.37%	45.00%
Tax Savings ⁽⁷⁾	\$4,370	\$3,900	\$4,400	\$4,640	\$4,641	\$4,695	\$4,825	\$4,737	\$4,500
At-Risk Capital ⁽⁸⁾	\$5,630	\$6,100	\$5,600	\$5,360	\$5,359	\$5,305	\$5,175	\$5,263	\$5,500

Maximum Offering

Table IA – Illustration of Potential Tax Deductions for Subscribers who purchase Units in 2008 and pay in Instalments

	2008	2009	2010	2011	2012 and beyond	Total
Initial Investment ^(1a)	\$ 2,500	\$ 7,500	\$ -	\$ -	\$ -	\$ 10,000
Tax Deductions						
CDE ⁽⁴⁾	-	1,912	1,339	937	2,186	6,374
CEE ^(2,3)	1,243	1,125	-	-	-	2,368
Issue Costs and other ⁽⁵⁾	461	177	177	177	266	1,258
Total Tax Deductions ⁽⁶⁾	1,704	3,214	1,516	1,114	2,452	10,000

Table IB – Illustration of Potential Tax Deductions for Subscribers who purchase Units in 2009

	2009	2010	2011	2012	2013 and beyond	Total
Initial Investment ^(1b)	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Tax Deductions						
CDE ⁽⁴⁾	2,229	1,560	1,092	765	1,784	7,431
CEE ^(2,3)	1,312	-	-	-	-	1,312
Issue Costs and other ⁽⁵⁾	461	177	177	177	266	1,258
Total Tax Deductions ⁽⁶⁾	4,002	1,737	1,269	942	2,050	10,000

Table II – At-Risk Capital Calculations

	<u>B.C.</u>	<u>Alta.</u>	<u>Sask.</u>	<u>Man.</u>	<u>Ont.</u>	<u>N.B.</u>	<u>N.S.</u>	<u>P.E.I.</u>	<u>Nfld.</u>
2008 Marginal Tax Rate	43.70%	39.00%	44.00%	46.40%	46.41%	46.95%	48.25%	47.37%	45.00%
Tax Savings ⁽⁷⁾	\$4,370	\$3,900	\$4,400	\$4,640	\$4,641	\$4,695	\$4,825	\$4,737	\$4,500
At-Risk Capital ⁽⁸⁾	\$5,630	\$6,100	\$5,600	\$5,360	\$5,359	\$5,305	\$5,175	\$5,263	\$5,500

Illustration of Potential Returns (assuming maximum Offering)

Natural Gas

Technical assumptions ⁽⁹⁾:

Number of Wells drilled	13
Number of successful Wells	9
Gross Production	(2.33 MMcf/d) (388.33 BOE/d)
Gross Production per Well	(0.26 MMcf/d) (43.17 BOE/d)
Net Royalty Production	(0.35 MMcf/d) (58.33 BOE/d)
Net Royalty Production per Well	(0.04 MMcf/d) (6.48 BOE/d)
Average well cost	\$300,000 per well to drill and complete (Operator's and Partnership's equal responsibility)
Tie-in costs per well	\$50,000 (Operator's responsibility)
Operating Costs:	
Fixed	\$1,500 per month (Operator's responsibility)
Variable	\$1.33 per million cubic feet (Operator's and Partnership's equal responsibility)

Note:

“MCF” means million cubic feet; “MMcf/d” means million cubic feet per day, and “BOE/d” means barrels of oil equivalent per day.

\$6/MCF with 15% GORR

	2008	2009	2010	2011	2012 and beyond	Total
Net Operating Income (per investor) ⁽¹⁰⁾	-	1,020	1,403	1,208	5,394	9,025
Income Tax ⁽¹¹⁾	-	(459)	(631)	(544)	(1,214)	(2,848)
Investor's After Tax Income	-	561	772	664	4,180	6,177
Net Cash Flow (includes tax deductions) ⁽¹²⁾	\$ (1,733)	\$ (5,492)	\$ 1,454	\$ 1,165	\$ 5,283	\$ 677
Return on At-Risk Capital		13.10%	19.75%	18.29%	98.07%	164.09%
After Tax Return on At-Risk Capital	0.00%	7.20%	10.87%	10.06%	76.00%	112.31%
IRR						3.35%
Pre Tax Return						64.09%
Total After Tax Return						12.31%

\$7/MCF with 15% GORR

	2008	2009	2010	2011	2012 and beyond	Total
Net Operating Income (per investor) ⁽¹⁰⁾	-	1,257	1,731	1,492	6,612	11,092
Income Tax ⁽¹¹⁾	-	(566)	(779)	(671)	(1,488)	(3,504)
Investor's After Tax Income	-	691	952	821	5,124	7,588
Net Cash Flow (includes tax deductions) ⁽¹²⁾	\$ (1,733)	\$ (5,362)	\$ 1,634	\$ 1,322	\$ 6,227	\$ 2,088
Return on At-Risk Capital		16.14%	24.32%	22.60%	120.22%	201.67%
After Tax Return on At-Risk Capital	0.00%	8.87%	13.40%	12.43%	93.16%	137.96%
IRR						9.93%
Pre Tax Return						101.67%
Total After Tax Return						37.96%

\$8/MCF with 15% GORR

	2008	2009	2010	2011	2012 and beyond	Total
Net Operating Income (per investor) ⁽¹⁰⁾	-	1,493	2,059	1,775	7,830	13,157
Income Tax ⁽¹¹⁾	-	(672)	(927)	(799)	(1,762)	(4,160)
Investor's After Tax Income	-	821	1,132	976	6,068	8,997
Net Cash Flow (includes tax deductions) ⁽¹²⁾	\$ (1,733)	\$ (5,232)	\$ 1,814	\$ 1,477	\$ 7,171	\$ 3,497
Return on At-Risk Capital		19.17%	28.98%	26.88%	142.36%	239.22%
After Tax Return on At-Risk Capital	0.00%	10.54%	15.93%	14.78%	110.33%	163.58%
IRR						16.08%
Pretax Return						139.22%
Total After Tax Return						63.58%

OilTechnical assumptions⁽⁹⁾:

Number of Wells drilled	4
Number of successful Wells	3

Gross Production	(150.0 BOE/d)
Gross Production per Well	(50.0 BOE/d)
Net Royalty Production	(22.5 BOE/d)
Net Royalty Production per Well	(7.5 BOE/d)
Average well cost	\$560,000 per well to drill and complete (Operator's and Partnership's equal responsibility)
Tie-in Costs per well	\$50,000 (Operator)

Operating Costs:

Fixed	\$1,500 per month (Operator's responsibility)
Variable	\$12.00/bbl (Operator's responsibility)

\$50 Oil with 15% GORR

	2008	2009	2010	2011	2012 and beyond	Total
Net Operating Income (per investor) ⁽¹⁰⁾	-	751	2,045	1,622	4,760	9,178
Income Tax ⁽¹¹⁾	-	(338)	(920)	(730)	(1,071)	(3,059)
Investor's After Tax Income	-	413	1,125	892	3,689	6,119
Net Cash Flow (includes tax deductions) ⁽¹²⁾	\$ (1,733)	\$ (5,640)	\$ 1,807	\$ 1,393	\$ 4,792	\$ 619
Return on At-Risk Capital		9.64%	28.79%	24.56%	86.55%	166.87%
After Tax Return on At-Risk Capital	0.00%	5.30%	15.84%	13.51%	67.07%	111.25%
IRR						3.15%
Pretax Return						66.87%
Total After Tax Return						11.25%

\$70 Oil with 15% GORR

	2008	2009	2010	2011	2012 and beyond	Total
Net Operating Income (per investor) ⁽¹⁰⁾	-	990	2,686	2,134	6,234	12,044
Income Tax ⁽¹¹⁾	-	(446)	(1,209)	(960)	(1,403)	(4,018)
Investor's After Tax Income	-	544	1,477	1,174	4,831	8,026
Net Cash Flow (includes tax deductions) ⁽¹²⁾	\$ (1,733)	\$ (5,509)	\$ 2,159	\$ 1,675	\$ 5,934	\$ 2,526
Return on At-Risk Capital		12.71%	37.81%	32.32%	113.35%	218.98%
After Tax Return on At-Risk Capital	0.00%	6.99%	20.79%	17.78%	87.84%	145.93%
IRR						12.21%
Pre Tax Return						118.98%
Total After Tax Return						45.93%

\$90 Oil with 15% GORR

	2008	2009	2010	2011	2012 and beyond	Total
Net Operating Income (per investor) ⁽¹⁰⁾	-	1,281	3,468	2,759	8,030	15,538
Income Tax ⁽¹¹⁾	-	(576)	(1,581)	(1,242)	(1,807)	(5,186)
Investor's After Tax Income	-	705	1,907	1,517	6,223	10,352
Net Cash Flow (includes tax deductions) ⁽¹²⁾	\$ (1,733)	\$ (5,348)	\$ 2,589	\$ 2,018	\$ 7,326	\$ 4,852
Return on At-Risk Capital		16.45%	48.82%	41.78%	146.00%	282.51%
After Tax Return on At-Risk Capital	0.00%	9.05%	26.84%	22.97%	113.15%	188.22%
IRR						22.32%
Pre Tax Return						182.51%
Total After Tax Return						88.22%

Notes:

- Assumes Subscriber invests \$10,000, pays the First Instalment of \$2,500 in 2008 and the Second Instalment of \$7,500 in 2009 and does not take into account the time value of money.
- Assumes Subscriber invests \$10,000 in 2009 and does not take into account time value of money. Note that relative to Subscribers that purchase Units in 2008, a greater percentage of Eligible Expenditures renounced to Subscribers who purchase Units in 2009 will be in the form of CDE and a lower percentage will be in the form of CEE.
- The calculations assume that 14.22% of the Available Funds are used by the Partnership to acquire Flow-Through Shares in 2008 of Subsidiary Companies that renounce CEE to the Partnership by December 31, 2008, which is then allocated by the Partnership as CEE to Limited Partners and available for an income tax deduction for their 2008 taxation year.
- The calculations assume that 12.87% of the Available Funds are used by the Partnership to acquire Flow-Through Shares in 2009 of Subsidiary Companies that renounce CEE to the Partnership by December 31, 2009, which is then allocated by the Partnership as CEE to Limited Partners and available for an income tax deduction for their 2009 taxation year.
- The calculations assume that 72.91% of the Available Funds are used by the Partnership to acquire Flow-Through Shares in 2009 of Subsidiary Companies that renounce CDE to the Partnership on or before December 31, 2009, which is then allocated by the Partnership as CDE to Limited Partners and available for income tax deductions commencing in their 2009 taxation year.
- "Issue costs and other" include issue costs, the Operating Reserve and the Geological and Engineering Expense Reimbursement. Issue costs such as agents' fees, legal, audit, printing, filing and distribution fees are assumed to be 8.85% of the Gross Proceeds. Issue costs are deductible at 20% per annum, pro rated for short taxation years. Operating Reserve is assumed to be \$90,000 in the case of the minimum Offering and \$690,000 in the case of the maximum Offering and will be used to fund current expenses. The Geological and Engineering Expense Reimbursement is estimated to be \$60,000 in the case of the minimum Offering and \$800,000 in the case of the maximum Offering.
- For simplicity an assumed individual marginal tax rate of 45% has been used. Each Limited Partner's actual tax rate may vary from the assumed marginal rate set forth above. The income tax deduction for Eligible Expenditures is based on the assumption that renounced amounts are anticipated to be up to approximately 87.42% of the Limited Partner's total subscription price for Units in the event of the maximum Offering is attained.
- Tax savings do not take into account the tax payable on any capital gain arising on the eventual disposition of Units or Mutual Fund Shares, which generally will have an adjusted cost base of nil.
- After-Tax Investment Cost and At-Risk Capital is calculated by subtracting Tax Savings from Initial Investment.
- In the case of the potential returns for natural gas Programs, it is assumed that 13 wells are drilled with 9 wells successful, the total program cost is \$4 million with the Partnership's share of such costs being 50%, or \$2 million. Total initial production from the 9 wells is assumed to be 2.33 mmcf/d, and average initial production is assumed to be 250,000 cubic feet per well. Each well declines at 15% per annum. The Partnership will pay mineral tax and Gas Cost Allowance ("GCA"). GCA is assumed to be \$1.23 per mcf. In the case of potential returns for oil Programs, it is assumed that 4 wells are drilled with 3 wells successful, the total Program cost is \$2.24 million with the Partnership's share of such costs being 50%, or \$1.12 million. Total initial production from the 3 wells is assumed to be 150 BOE/d, and reserves of 70,000 Bbls per successful well (gross) are assumed. Each well declines at 25% per annum.
- Net Operating Income is calculated using the GORR rate, commodity price and initial production assumptions as above less (i) General Partner's fees of 2.0% per annum of the Gross Proceeds of the Offering, (ii) the General Partner's Share, and (iii) the Performance Bonus, where applicable.

11. Assumes assets are sold in 2012 and taxed as capital gains. Further assumes that the Subsidiary Companies make cash distributions by way of dividends to the Limited Partnership which then allocates and distributes these dividends to the Subscribers who pay tax at the rates applicable to eligible or ineligible dividends as the case may be. The top marginal rates applicable in 2008 to eligible and ineligible dividends are as follows:

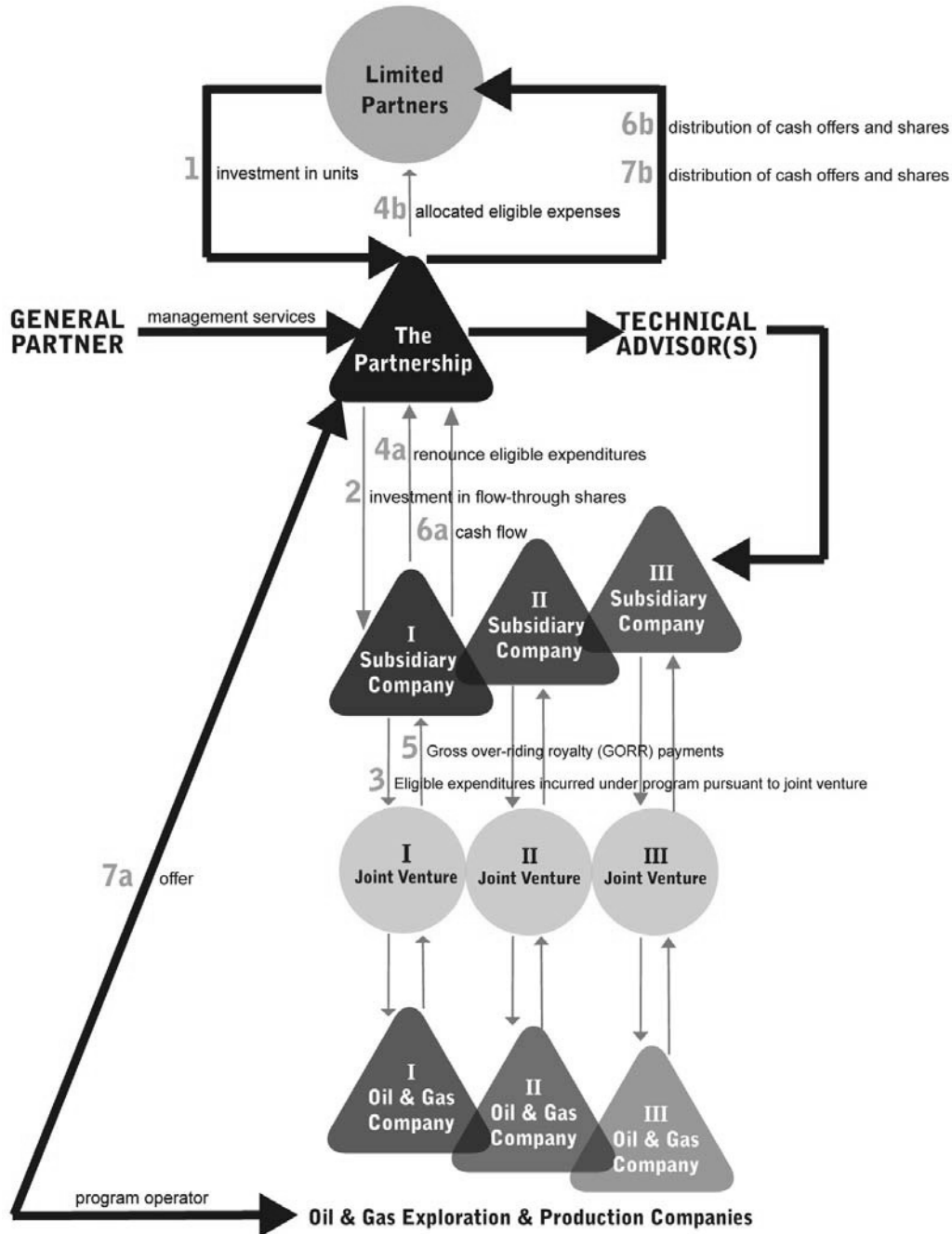
	Eligible Dividends	Ineligible Dividends
B.C.	18.47%	31.58%
Alta.	16.00%	26.46%
Sask.	20.35%	30.83%
Man.	23.83%	37.40%
Ont.	23.96%	31.34%
N.B.	23.18%	35.40%
N.S.	24.13%	33.06%
P.E.I.	23.69%	33.61%
Nfld.	28.11%	33.33%

12. Net Cash Flow is Initial Investment, less the tax savings, and after tax has been paid by Subscribers on their dividends.

There can be no assurance that any of the foregoing assumptions will prove to be accurate in any particular case. Prospective Subscribers should be aware that these calculations are for illustrative purposes only and are based on assumptions made by the General Partner which cannot be represented to be complete or accurate in all respects and that have been made solely for the purpose of these illustrations. These calculations and assumptions have not been independently verified. See “Canadian Federal Income Tax Considerations” and “Risk Factors”.

INVESTMENT STRUCTURE DIAGRAM

The following diagram illustrates the structure of an investment in Units of the Partnership and the relationship among the Partnership, the Subsidiary Companies, the Joint Venture investments, the General Partner and the Oil & Gas Cos. This diagram assumes that there will be cash flow from the Joint Ventures, Distributions to the Limited Partners and an Offer from the Oil & Gas Cos. The numbers 1 through 7B in the diagram indicate the chronological order of investments, renunciation of Eligible Expenditures, cash flows, Distributions and Offers. This summary is provided for illustrative purposes, is intentionally non-technical in nature and is qualified in its entirety by the details information found elsewhere in this prospectus.



THE PARTNERSHIP

The Partnership was formed under the laws of the Province of British Columbia pursuant to a Partnership Agreement dated October 23, 2008 between the General Partner and CADO Bancorp Ltd., as the Initial Limited Partner, and became a limited partnership effective October 23, 2008, the date of filing of its Certificate of Limited Partnership. The Partnership Agreement was amended and restated on December 15, 2008. The Partnership Agreement is summarized in this prospectus. See “Summary of the Partnership Agreement”.

The registered office of the Partnership is 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2. The head office of the Partnership is Suite 808 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G5.

Rationale

WCSB Oil & Gas Royalty Income 2008-II Management Corp., the General Partner of the Partnership, believes that the fundamental long-term outlook for the Canadian energy sector is attractive. The General Partner believes that there may be short-term volatility in energy prices but over the medium to longer term, issuers involved in the development and production of oil and natural gas will realize favourable cash flow and profits attributable to strong commodity prices driven by increasing global demand, limited excess production capacities and restrictive supplies. The Partnership has been established as a means of allowing investors to participate directly in the development and production of oil and natural gas in a tax assisted manner, while avoiding exposure to the market volatility associated with securities of public energy issuers in the near term. The Partnership’s unique structure allows Limited Partners to directly participate in oil and gas investments that are typically funded through private equity investments not generally available to individual investors because of high minimum investment thresholds and the requirement for specific geological and engineering expertise to evaluate the opportunities and manage the investments. In addition, by splitting the purchase price for the Units into instalments, the Partnership has attempted to match the timing of the General Partner’s anticipated requirements for capital to fund its obligations pursuant to Joint Venture Agreements with the timing of the Limited Partner’s Second Instalment payment and also with the timing of the tax deductions to be provided to Limited Partners.

The Partnership’s Joint Venture royalty financing program (as opposed to taking direct working interests) offers the following key benefits and advantages to Limited Partners:

- Royalties in the energy sector represent ownership title to a percentage of oil or natural gas production and offer investors the advantages of “Top-Line” payments made from the gross production of oil or natural gas at the “well-head”.
- Royalty owners are not generally responsible for any of the typical capital or operating expenses or liabilities or environmental costs associated with operating oil and/or natural gas wells.
- Royalty ownership generally provides investors with a much lower cost structure and with higher “net-backs” when compared to typical working interests agreements.
- Royalties can provide owners with direct title to mineral rights.
- Royalty owners benefit from low sustaining capital requirements when compared to the capital requirements necessary to sustain typical working interests.

From the perspective of the Oil & Gas Cos, obtaining financing from the Partnership using its Joint Venture royalty financing program (as opposed to through the grant of a direct working interest) offers the following advantages:

- Having a financial partner such as the Partnership can improve the rate of return of projects for the Oil & Gas Cos as the operator spends disproportionately less of their capital in return for a lesser amount of "top-line revenues". The Oil & Gas Cos enhanced internal rate of return can make every dollar of capital more efficient.
- The capital from the Partnership allows the Oil & Gas Cos to retain control of their programs without interference from a potentially competitive working interest partner.
- The operator is able to book 100% of the gross reserves versus booking a lesser amount of net working interest reserves, subject only to modest over-riding royalties.
- A financial partner rather than a directly competitive industry partner, will not be viewed as a threat to the operator's proprietary ideas and information regarding the development of their assets.
- The additional capital from the Partnership's Joint Venture royalty financing program frees up money that the Oil & Gas Cos can utilize on higher impact exploration projects while at the same time ensures that development projects are funded and brought to market on schedule.
- The expanded capital expenditure budget through the Partnership's joint venture royalty financing program allows Oil & Gas Cos to maintain operating momentum with respect to growing reserves and production through the drill bit.
- Joint Venture royalty financing programs like that offered by the Partnership allow Oil & Gas Cos to access the capital necessary to fund capital expenditure budgets while not issuing shares at current market prices which, in the view of many oil & gas executives, are currently significantly undervalued.
- Accessing capital through the Partnership's Joint Venture royalty financing program allows Oil & Gas Cos to bring on production from development and to a lesser extent exploration programs without incurring additional debt - which in turn allows such companies to maintain strong balance sheets.

Investment Objectives and Strategy

The Partnership has been organized to provide Limited Partners with:

- (a) income;
- (b) capital appreciation;
- (c) potential liquidity; and
- (d) a tax deductible investment,

all through participation in the production of, and to a lesser extent exploration for, oil and natural gas.

The Partnership intends to achieve its investment objectives by investing in Flow-Through Shares of Subsidiary Companies which will be formed to enter into Joint Ventures with Oil & Gas Cos. The terms of the Joint Ventures will include Gross Over-Riding Royalties in certain pre-defined Programs.

Subsidiary Companies will enter into Joint Venture Agreements with Oil & Gas Cos to conduct Programs in target areas. The Subsidiary Companies will apply all of the Initial Net Proceeds and Subsequent Net Proceeds they receive from the Partnership from the sale of the Flow-Through Shares to incur Eligible Expenditures under the Joint Ventures, and will renounce them to the Partnership, which will in turn be allocated to the Limited Partners. Generally, the Oil & Gas Cos that are parties to the Joint Venture will act as operators of the Programs and the obligations of the Subsidiary Companies to the Joint Ventures will be limited to their initial capital contributions, and the Subsidiary Companies will be entitled to a Gross Over-Riding Royalty interest on production (if any) earned from the Program. The Distributable Cash generated by these royalty payments (if any), after deducting the Operating Reserve and the General Partner's Share, will (provided such Distributable Cash exceeds \$1.00 per Unit) be distributed to Limited Partners on a quarterly basis (or on such other dates that the General Partner determines), commencing in June 2009. The Partnership may also make from time to time such additional Distributions as the General Partner may determine to be appropriate.

The Partnership intends to maximize returns and tax deductions for Limited Partners through the application of intensive fundamental and technical analysis, both at the company and industry level in selecting Joint Ventures with Oil & Gas Cos that:

- (i) have proven, experienced and reputable management teams with a defined track record of growing production and generating shareholder value – through the drill bit;
- (ii) have well defined low to medium risk development and exploration programs in place;
- (iii) have readily available processing and pipeline infrastructures in place or the necessary capital available and the commitment to develop all required infrastructure;
- (iv) offer Joint Venture terms that represent good value and the potential for significant income distributions and attractive capital appreciation; and
- (v) meet certain other criteria set out in the investment guidelines of the Partnership.

The Partnership intends to invest in Programs with limited exposure to high risk exploration wells. Target areas include “drill ready development prospects” and suspected bypassed hydrocarbons situated in active production areas with existing infrastructure. Programs may include participation in the development of seismic data to define drilling prospects, but no Program will be limited to the collection of seismic data. The Partnership shall give preference to those Programs that have the potential for the Subsidiary Company to earn a Gross Over-Riding Royalty.

Subsidiary Companies will be formed to own direct interests in oil and/or natural gas prospects in Canada with an expected focus on the Western Canadian sedimentary basin and to participate in Joint Ventures. Each Joint Venture will target specific Programs that have been reviewed by the General Partner in consultation with a Technical Advisor where appropriate.

In certain circumstances, Programs may expand from the initial program to the drilling of Additional Wells (*e.g.*, where successful drilling results indicate the presence of a reservoir large enough that Additional Well drilling is warranted in order to fully exploit the reservoir). If an Oil & Gas Co identifies and wishes to drill Additional Wells in an area of mutual interest pursuant to the Joint Venture Agreement, under the Joint Venture Agreement the Subsidiary Company may, if the Joint Venture Agreement so provides, have to pay its agreed proportionate share of the costs to maintain its interest in the Additional Wells. Such costs, in addition to drilling expenditures, may include incidental seismic or land acquisition costs. The Joint Venture would incur CDE and/or CEE from the drilling expenditures incurred on any Additional Wells. The Partnership intends to fund any such expenditures from either a portion of cash flow from any successful wells or borrowing funds from a financial institution or a combination thereof, or by arranging for a farm-out of an Additional Well opportunity.

In order to enhance the returns to Limited Partners, the Partnership will use its commercially reasonable efforts to invest all Initial Net Proceeds received in 2008 in Flow-Through Shares on or before December 31, 2008 and any Initial Net Proceeds received in 2009 and the Subsequent Net Proceeds in Flow-Through Shares on or before December 31, 2009. Investment Agreements entered into in 2008 will require that the Subsidiary Companies renounce CEE or Qualifying CDE in an aggregate amount equal to the purchase price of the Flow-Through Shares paid with Initial Net Proceeds received in 2008 effective not later than December 31, 2008. Investment Agreements entered into in 2009 will require the Subsidiary Companies to renounce Eligible Expenditures in an aggregate amount equal to the purchase price of the Flow-Through Shares paid using any Initial Net Proceeds received in 2009 and the Subsequent Net Proceeds effective not later than December 31, 2009. The Partnership's objective is that such Eligible Expenditures will be constituted, as to approximately 70%, as CDE and, as to the balance, as CEE and Qualifying CDE. Renounced amounts are expected to be up to approximately 83% of a Limited Partner's subscription amount in the case of the minimum Offering and up to approximately 87% of a Limited Partner's subscription amount in the case of the maximum Offering. Any Initial Net Proceeds received in 2008 that have not been committed by the Partnership to purchase Flow-Through Shares on or before December 31, 2008 will be distributed by February 15, 2009 on a *pro rata* basis to Limited Partners of record as at December 31, 2008. Any Initial Net Proceeds received in 2009 and any Subsequent Net Proceeds that have not been committed by the Partnership to purchase Flow-Through Shares on or before December 31, 2009 will be distributed by February 15, 2010 on a *pro rata* basis to Limited Partners of record as at December 31, 2009.

Limited Partners who have sufficient income, subject to certain limitations, will be entitled to claim certain deductions from income for income tax purposes. Possible income tax deduction scenarios and savings arising from an investment in Units (based on certain assumptions and estimates) are set forth under the heading "Selected Financial Aspects". See "Summary of the Partnership Agreement – Termination of the Partnership" and "Risk Factors –Possible Tax Deductions".

Investment Guidelines

The General Partner, with the assistance of a Technical Advisor, where appropriate, will evaluate and assess, and will be responsible for selecting, negotiating and managing, the Subsidiary Companies' Joint Ventures. While participation in Joint Ventures will depend largely on investment opportunities available to the Subsidiary Companies at the time Available Funds are invested, the General Partner has developed the following guidelines which it will follow when entering into Joint Ventures:

- **Royalty Payments:** The terms of any Joint Venture Agreement will entitle the Subsidiary Company to a Gross Over-Riding Royalty from all production earned. Any properties on which the Programs are carried out will be acquired pursuant to industry standard agreements. All oil and natural gas expenditures incurred, and rights that may thereby be earned by Subsidiary Companies through a Joint Venture will be governed by the industry standard operating procedure that will form part of the particular Joint Venture Agreement;
- **Development Favoured over Exploration Programs:** Programs will target Development Wells that: (a) are advanced and located in areas with sufficient infrastructure so that successful wells can be tied-in on a timely manner or that it is reasonable to anticipate that a meaningful valuation of any reserves attributable to the Subsidiary Company's interest in the Joint Venture may be performed by a Technical Advisor; (b) have low exposure to high risk exploration wells; and (c) have target areas which include drill-ready and where possible multi-zone prospects situated in active areas with reasonably close or existing infrastructure;
- **Private/Public independent and well established Oil & Gas Cos:** A Subsidiary Company may participate in a Joint Venture with a private or public company, trust or partnership. The key determinants for deciding to participate in a Joint Venture will be: (a) the General Partner's assessment that the Program is well designed; and (b) that the Oil & Gas Co has a strong and capable management team, with a track record of successfully exploiting reserves and with a majority of senior officers having ten or more years of experience in the oil and/or natural gas industry;

- **Sufficient Capitalization:** Each Subsidiary Company will only participate in a Joint Ventures with Oil & Gas Cos which have reasonably demonstrated to the General Partner that they possesses sufficient funds or have the ability to access sufficient funds to cover their share of costs in connection with any Program, which include the costs associated with tie-ins, any necessary processing facilities or pipelines and operational capital;
- **Technical Analysis:** Each Subsidiary Company will only participate in a Joint Venture only if the Joint Venture is engaged in a development or exploration programs that have been subject to a complete technical analysis by the General Partner or, its independent technical consultants or, where appropriate, by a Technical Advisor, inclusive of geophysical, geological and analogous comparisons, and that have proprietary land positions and drill-ready prospects which can be reviewed and confirmed by one or more such parties;
- **Low to Medium Risk Joint Venture Programs:** The Subsidiary Companies will participate in Joint Ventures with Oil & Gas Cos that, collectively with all other Joint Ventures of the other Subsidiary Companies, will comprise a reasonably balanced portfolio of joint ventures with various risk opportunities including Programs which in the opinion of the General Partner constitute low to moderate risk exploration wells such as new pool wildcat, deeper pool test and shallower pool test Programs;
- **Multi-Zone Targets:** To reduce a joint venture's economic risk, the General Partner's preference will be that Subsidiary Companies enter into Joint Ventures with Oil & Gas Cos undertaking production and/or exploration programs that offer Multi-Zone Completion opportunities;
- **Maximum Single Well Exposure:** A Subsidiary Company's maximum capital expenditure dedicated to the drilling and/or completion of any single well will not exceed the greater of: (a) \$1.5 million; (b) 70% of the total cost per well; and (c) 25% of the Gross Proceeds of the Partnership. In addition, except as may be agreed to in respect of Earned Interests, the terms of the Joint Venture Agreements will not require the Subsidiary Companies to be responsible for Crown royalties, well maintenance, work-overs, re-completion or abandonment costs;
- **Minimum Contributions by Oil & Gas Companies:** The Oil & Gas Cos who are party to the Joint Venture Agreement will contribute not less than 30% of the total cost, including land, seismic, engineering and other related costs, of each Program;
- **Potential Investor Liquidity:** The General Partner will use commercially reasonable efforts to require that the Joint Venture Agreements obligate each Oil & Gas Co to make an Offer; and
- **Earned Interests:** Certain joint ventures may lead to the opportunity for the Partnership or Subsidiary Companies to have rights to participate in further programs. These additional opportunities ("Earned Interests"), if any, will be assessed subject to compliance to the Investment Guidelines, other than the guideline that the Earned Interests must entitle the Subsidiary Company to a Gross Over-Riding Royalty. The nature of the Subsidiary Company's interest in Earned Interests will be evaluated at the time the Earned Interests arise.

The General Partner will choose those Joint Ventures and Programs which, in its judgment, are the most consistent with these Investment Guidelines, giving overall consideration to the goal of entering into an investment that provides a prudent balance of risk and potential for economic return. There can be no assurance that every well in a Program will meet all the Investment Guidelines. See "Risk Factors".

INVESTMENT RESTRICTIONS

The activities of the Partnership, General Partner and Subsidiary Companies are subject to certain investment restrictions. These restrictions provide, among other things, that none of the Partnership, the General Partner or any Subsidiary Company will:

- purchase or sell commodity contracts;
- guarantee the securities or obligations of any person, other than guarantees involving the securities or obligations of the Partnership, the General Partner or any Subsidiary Company that are permitted under the Partnership Agreement;
- purchase or sell real estate or interests therein (except that Subsidiary Companies, directly or through Joint Ventures, may purchase or hold real estate or leases for purposes directly related to Programs);
- lend money, other than to Subsidiary Companies, provided that the Partnership may also purchase High Quality Money Market Instruments;
- purchase or sell derivatives except for the purpose of managing risk with respect to the Partnership's investments;
- purchase securities other than Offering Shares pursuant to an Offer or Flow-Through Shares or shares of a mutual fund in the course of a Liquidity Event, or make short sales of securities or maintain a short position in any security;
- will not purchase any security which may by its terms require the Partnership to make a contribution in addition to the payment of the purchase price, but this restriction will not apply to the purchase of Warrants or other securities which are paid for on an instalment basis where the total purchase price and the amount of all such instalments is fixed at the time the initial instalment is paid;
- purchase mortgages; or
- knowingly make any investments contrary to the conflict of investment restrictions contained in the Partnership Agreement.

Furthermore, the Partnership will not engage in any undertaking other than the investment of the Partnership's assets, through the Subsidiary Companies. The General Partner will engage in no undertaking other than management of the Partnership's and the Subsidiary Companies' businesses, and the Subsidiary Companies will engage in no undertaking other than facilitating, entering into and furthering Joint Venture Agreements with Oil & Gas Cos.

The foregoing investment guidelines may not be changed without the approval of the Limited Partners by Extraordinary Resolution, unless such change is necessary to ensure compliance with all applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time.

In addition to short-term loans between the Partnership and/or the Subsidiary Companies described above, the Partnership and the Subsidiary Companies may also borrow money in an amount up to 25% of the Gross Proceeds from a financial institution or provide guarantees for the purpose of taking advantage of investment opportunities as they arise, funding any capital costs related to successful wells in a Program, the financing of any land leases acquired by a Subsidiary Company, or the funding of the drilling of Additional Wells, and related incidental seismic or land acquisition costs. Such borrowings or guarantees may include the mortgage, pledge or hypothecation of any of the Partnership's or the Subsidiary Companies' securities or other assets and may provide that a royalty charge or working interest be included as part of the cost of borrowing. The General Partner may make arrangements for a financial institution to provide any necessary financing. The Partnership will not borrow

money until the General Partner satisfies itself, acting reasonably, that no adverse tax consequence to Limited Partners will result from such borrowings.

JOINT VENTURE SELECTION

The following is a summary of the philosophy and intent of the Joint Ventures and the anticipated terms of the Joint Venture Agreements to be entered into by Subsidiary Companies.

The General Partner anticipates that each Oil & Gas Co will carry out Programs for the and/or production of oil and/or natural gas in one or more of the provinces of Alberta, British Columbia, Saskatchewan, Manitoba or Newfoundland and Labrador, with an expected focus on Programs in the Western Canadian sedimentary basin, in conjunction with a Subsidiary Company pursuant to a Joint Venture Agreement. The properties on which the Programs are carried out will be acquired pursuant to industry standard agreements. The General Partner will review each prospective Program in conjunction with a Technical Advisor, where appropriate, to assess the suitability of the proposed program in relation to the investment strategies outlined herein. The goal of the General Partner is to identify and negotiate, on behalf of a Subsidiary Company, Joint Venture Agreements with Oil & Gas Cos to undertake a discrete Program that will limit risk by not exposing the Subsidiary Company to the entire cost of exploration and development activities of the Oil & Gas Cos.

In selecting a prospective Oil & Gas Co and Program, the General Partner will follow the investment strategies outlined herein and choose those prospects that, in its judgment, are most consistent with such strategies. The General Partner will also consider a prudent evaluation of risk and economic return, recognizing that all drilling involves substantial risk and a high degree of competition. To mitigate this risk, the Partnership's objective is to allocate approximately 70% of the Available Funds to development Programs. In addition, each Joint Venture Agreement will require that the Oil & Gas Co contribute at least 30% of the costs of any Program. Moreover, Subsidiary Companies will not act as the operator of any Program (except in the case of operator default).

Once an acceptable Program is identified, the General Partner will negotiate a Joint Venture Agreement with one or more Oil & Gas Cos seeking to participate in the Program. A Subsidiary Company may enter into Joint Ventures with one or more Oil & Gas Cos. A Subsidiary Company will not act as operator of any Program (unless the operator defaults). All oil and natural gas expenditures incurred, and any rights that may thereby be earned by Subsidiary Companies through a Joint Venture will be governed by the industry standard operating procedure that will form part of the particular Joint Venture Agreement.

Each Joint Venture Agreement shall contain provisions whereby the General Partner, on behalf of the Partnership, shall use commercially reasonable efforts to obtain an Offer. If a Subsidiary Company is completely unsuccessful in its Program and there is no residual value in the Joint Venture, the General Partner will not expect to receive an Offer and the Subsidiary Company in question may be wound-up in due course in accordance with the *Business Corporations Act* (British Columbia).

THE GENERAL PARTNER

Corporate Structure

The General Partner was incorporated under the provisions of the *Canada Business Corporations Act* on October 23, 2008. The General Partner is a wholly-owned subsidiary of the GORR Holdings Corp. The registered office of the General Partner is 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2. The head office of the General Partner is Suite 808- 609 Granville Street, Vancouver, British Columbia, V7Y 1G5.

Business

During the existence of the Partnership, the General Partner's sole business activity will be the management of the Partnership.

The General Partner has co-ordinated the formation, organization and registration of the Partnership. The General Partner will: (i) be involved in selecting and will be responsible for negotiating and managing the Subsidiary Companies' Joint Ventures; (ii) work with the Agents in developing and implementing all aspects of the Partnership's communications, marketing and distribution strategies; and (iii) manage the ongoing business and administrative affairs of the Partnership.

The General Partner also may implement or propose to implement a Liquidity Event on or before December 31, 2011. See "Liquidity Event".

The General Partner will not co-mingle any of its own funds with those of the Partnership.

Management

The General Partner's management group has extensive experience in the financing and management of syndicated tax-assisted investments and has significant experience and strong relationships in the oil and natural gas industry. The name, municipality of residence, office or position held with the General Partner and principal occupation of each of the directors and senior officers of the General Partner are set out below:

<u>Name and Municipality of Residence</u>	<u>Position with the General Partner</u>	<u>Age</u>	<u>Principal Occupation</u>
WILLIAM D.B. KOENIG..... CALGARY, ALBERTA	President and Director	50	Partner and Portfolio Manager, Brickburn Asset Management Inc.; President, Brickburn Funds Inc.; Portfolio Manager, TGL 2007 Flow-Through Limited Partnership
WILLIAM D. BONNER CALGARY, ALBERTA	Chairman of the Board and Director	54	Co-founder and President, Brickburn Asset Management Inc.; Chairman, Brickburn Funds Inc.; Co-Portfolio Manager, TGL 2005, 2005-II and 2006 Flow-Through Limited Partnerships; Co-Portfolio Manager, FrontierAlt 2006 and 2006-II Flow-Through Limited Partnerships
SHANE DOYLE VANCOUVER, BRITISH COLUMBIA	Chief Executive Officer and Director	46	President and Managing Director, Maple Leaf Charitable Giving (2007) II Limited Partnership, Maple Leaf Charitable Giving Limited Partnership; Managing Partner and Director, Jov Diversified Flow-Through 2007 Management Corp., Jov Diversified Flow-Through 2008 Management Corp., Jov Diversified Flow-Through 2008-II Management Corp., Fairway Energy (06) Flow-Through Management Corp. and Fairway Energy (07) Flow-Through Management Corp.
T. MARTIN DAVIES..... CALGARY, ALBERTA	Managing Director	54	Managing Director, Brickburn Asset Management Inc.; Compliance Officer and Co-Portfolio Manager, FrontierAlt 2006 and 2006-II Flow Through Limited Partnerships; Co-Portfolio Manager, TGL 2005, 2005-II and 2006 Flow Through Limited Partnerships

<u>Name and Municipality of Residence</u>	<u>Position with the General Partner</u>	<u>Age</u>	<u>Principal Occupation</u>
PETER M.K. BOLTON CALGARY, ALBERTA	Vice President, Technical Operations	51	Managing Director, Technical Evaluations, Brickburn Asset Management Inc.
JOHN DICKSON VANCOUVER, BRITISH COLUMBIA	Chief Financial Officer	39	Vice-President Finance of Jov Diversified Flow-Through 2007 Management Corp., Jov Diversified Flow-Through 2008 Management Corp., Jov Diversified Flow-Through 2008-II Management Corp., Fairway Energy (06) Flow-Through Management Corp. and Fairway Energy (07) Flow-Through Management Corp.; Managing Director, Maple Leaf Charitable Giving (2007) II Limited Partnership and Maple Leaf Charitable Giving Limited Partnership

There are no committees of the board of directors of the General Partner, other than the Audit Committee, which consists of the board of directors as a whole.

Biographies of each of the directors and senior officers of the General Partner, including principal occupations for the last five years, are set out below.

The officers of the General Partner will not be fulltime employees of the General Partner, but will devote such time as is necessary to the business and offices of the General Partner. The Chief Executive Officer and Chief Financial Officer of the General Partner anticipate devoting approximately 10% of their time to these roles.

William (Bill) D.B. Koenig, CFA, CMA – President and Director

Bill Koenig is the President of the General Partner and is responsible with Peter Bolton for sourcing, negotiating evaluating and managing the Partnership’s Subsidiary Company Joint Ventures.

Bill is currently a partner and portfolio manager with Brickburn Asset Management Inc. (“Brickburn”), President of Brickburn Funds Inc. and portfolio manager of TGL 2007 Flow-Through Limited Partnership, prior to which he was the Chief Investment Officer and a portfolio manager for Hesperian Capital Management which was the Investment Adviser to the NORREP flow-through funds. During his tenure, the Hesperian funds grew 10-fold and an additional \$370 million was raised for the NORREP flow-through limited partnerships including joint ventures that focused on Canadian oil and natural gas investments. Bill’s broad experience in the financial and energy sectors was key to adding value at Hesperian where fund returns increased dramatically with Bill’s guidance.

In addition, Bill is the President and Director of WCSB GORR Oil & Gas Income Participation Management Corp., the General Partner of WCSB GORR Oil & Gas Income Participation 2008-I Limited Partnership.

Bill has successfully applied his CMA degree and CFA designation to a variety of financial roles involving oil and natural gas company financings, joint venture negotiation, management and administration, fund management, M&A transactions, and asset and research analysis and evaluation and divestiture.

William (Bill) D. Bonner, B.Comm, Finance – Chairman of the Board and Director

With over 20 years of capital markets experience, Bill as Chairman of the Board of the General Partner, brings an perspective to the Partnership that has been built on a solid foundation and in-depth knowledge of Canada's energy sector.

Bill is also a co-founder and is currently the President of Brickburn and is directly responsible for managing energy-investments focused on public market portfolios as well as energy focussed private equity investments. In addition, he is the Chairman of Brickburn Funds Inc., co-portfolio manager of TGL 2005, 2005-II and 2006 Flow-Through Limited Partnerships and co-portfolio manager of FrontierAlt 2006 and 2006-II Flow-Through Limited Partnerships.

Bill co-managed the Network Capital 1997 Limited Partnership that liquidated as scheduled in 2004, and whose energy investments achieved a 30% IRR over their 7 year life.

In addition, Bill is the Chairman and Director of WCSB GORR Oil & Gas Income Participation Management Corp., the General Partner of WCSB GORR Oil & Gas Income Participation 2008-I Limited Partnership.

Prior to 1997, Bill's career included 13 years with Peters & Co Limited where he was a significant shareholder, member of the Executive Committee, and Managing Director of Institutional Sales and Trading. While at Peters & Co Limited, he advised domestic and foreign institutional clients on their Canadian energy investments.

Shane Doyle, BA, MBA – Chief Executive Officer & Director

Shane Doyle is the Chief Executive Officer of the General Partner. As well, Mr. Doyle is the President and Managing Director of Maple Leaf Charitable Giving (2007) II Limited Partnership, Maple Leaf Charitable Giving Limited Partnership and is also a Managing Partner and Director of Jov Diversified Flow-Through 2007 Management Corp., Jov Diversified Flow-Through 2008 Management Corp., Jov Diversified Flow-Through 2008-II Management Corp., Fairway Energy (06) Flow-Through Management Corp., Fairway Energy (07) Flow-Through Management Corp. and Chief Executive Officer and Director of WCSB GORR Oil & Gas Income Participation Management Corp., the General Partner of WCSB GORR Oil & Gas Income Participation 2008-I Limited Partnership.

Prior to joining Fairway Energy, Mr. Doyle was a Regional Director for SEI Canada, an institutional investment management firm. Prior to joining SEI in 2004, Shane worked as a Director of Operations at RBC Financial Group where he was responsible for business development and relationship management.

Shane holds both a MBA and Bachelor of Arts (Political Science) from St. Mary's University in Halifax, Nova Scotia.

T. Martin Davies, B.A. Economics - Managing Director

With over two decades of experience, Martin has a proven record for providing insightful financial advice on the energy sector. As the Partnership's Managing Director, Martin acts as the compliance officer as well as the Co-Portfolio Manager for the Partnership and FrontierAlt 2006 and 2006-II Flow Through Limited Partnerships, and Co-Portfolio Manager TGL 2005, 2005-II and 2006 Flow Through Limited Partnerships.

Prior to joining Brickburn's team in September of 2004, Martin was a senior partner of Peters & Co Limited for 22 years where he served as an institutional equity salesman and as the Designated Registered Options Principal of the firm. He is also a former chairman and member of the Alberta District Council of the Investment Dealers Association where he served from 1997 to 2004. He is active as a member of the IDA Regulatory Enforcement Committee and serves on various charitable committee boards. In addition, Martin is a Managing Director of WCSB GORR Oil & Gas Income Participation Management Corp., the General Partner of WCSB GORR Oil & Gas Income Participation 2008-I Limited Partnership.

Peter M.K. Bolton, P.Geol. – Vice President, Technical Operations

Peter Bolton is the Vice President, Technical Operations of the General Partner. Peter will share the responsibility for sourcing, negotiating and managing the Subsidiary Companies' Joint Ventures with Mr. Koenig.

Peter is currently a Partner and the Managing Director, Technical Evaluations at Brickburn Asset Management Inc. Prior to this he was President & Chief Executive Officer, Director and founding member of Rolling Thunder Exploration Ltd., a publicly traded junior oil and gas company which merged with Action Energy in September of 2007. From November 2002 until September 2004, Peter was President and Chief Executive Officer of Energy Explorer Inc., which merged with Great Plains Exploration in September 2004. Prior to that, Peter was Vice President, Exploration and a founding partner of Integra Resources Ltd. from October 1998 until October 2002. Integra was sold to Burlington Resources in February, 2003. Peter was Vice President, Exploration for Canrise Resources Ltd., from June 1996 to July 1998 when the company was sold to Poco Petroleum Ltd. Peter spent 17 years with Mobil Oil Canada in positions of increasing responsibility. In addition, Peter is the Vice President, Technical Operations of WCSB GORR Oil & Gas Income Participation Management Corp., the General Partner of WCSB GORR Oil & Gas Income Participation 2008-I Limited Partnership.

Peter received his Bachelor of Science with Honors in Geological Science from Queens University 1979. He is currently a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (P.Geol.) and the Canadian Society of Petroleum Geologists.

John Dickson – Chief Financial Officer

John Dickson is the Vice-President Finance of Jov Diversified Flow-Through 2007 Management Corp., Jov Diversified Flow-Through 2008 Management Corp., Jov Diversified Flow-Through 2008-II Management Corp., Fairway Energy (06) Flow-Through Management Corp. and Fairway Energy (07) Flow-Through Management Corp.; Managing Director, Maple Leaf Charitable Giving (2007) II Limited Partnership, Maple Leaf Charitable Giving Limited Partnership and Chief Financial Officer of WCSB GORR Oil & Gas Income Participation Management Corp., the General Partner of WCSB GORR Oil & Gas Income Participation 2008-I Limited Partnership.

Prior to joining the General Partner, John was Controller of Cactus Restaurants Ltd. The Cactus Group consists of 17 corporate and franchise locations in British Columbia and Alberta. John brings over 15 years of experience in financial management, accounting and securities reporting as well as all back-office accounting and reporting duties for flow-through and direct investment limited partnerships.

THE PROMOTERS

GORR Holdings Corp., a company formed under the federal laws of Canada on June 9, 2008, is a promoter of the Offering. Brickburn Asset Management Inc. and CADO Bancorp Ltd. jointly established GORR Holdings Corp. to engage in the business of structuring tax-assisted investments, including the Partnership. Accordingly, each of Brickburn Asset Management Inc. and CADO Bancorp Ltd. may also be considered promoters of the Offering under applicable securities laws. Each of Brickburn Asset Management Inc. and CADO Bancorp Ltd. owns 50% of the outstanding shares of GORR Holdings Corp. The registered office of GORR Holdings Corp. is 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2.

Brickburn Asset Management Inc.

Brickburn is a registered Portfolio Manager and Investment Counsel in Alberta, British Columbia, Manitoba and Ontario. Since its formation in 1997, Brickburn Asset Management Inc. has been creating investor wealth through a unique and extensive blend of expertise in the Canadian energy sector. Over the years, Brickburn has expanded its offerings to include a family of public mutual funds, private equity and flow-through limited partnerships. For private clients, including individuals, families and trusts, Brickburn custom tailors and manages globally diversified segregated portfolios.

Brickburn is actively involved in the technical geological and engineering work required to select Joint Venture opportunities and as such the Partnership has agreed to cause the Subsidiary Companies to pay Brickburn the Geological and Engineering Expense Reimbursement. See “Fees, Charges and Expenses Payable by the Partnership – Geological and Engineering Expense Reimbursement”.

Each of Messrs. Koenig, Bonner, Davies and Bolton, each of whom are directors and/or officers of the General Partner, are also directors, officers and/or partners of Brickburn.

The principal office of Brickburn is 201, 221-10th Avenue S.E., Calgary, Alberta T2G 0V9.

CADO Bancorp Ltd.

CADO Bancorp Ltd. is a British Columbia based company that specializes in investment products focused on the Canadian natural resource sector. CADO Bancorp Ltd.’s executive management team has over 40 years of combined experience in structuring, syndicating, distributing and administering innovative financial products aimed at the Canadian retail investor. Many of the investment offerings that CADO Bancorp Ltd. has structured are tax assisted and offer investors the potential for income, capital appreciation and liquidity.

Each of Messrs. Doyle and Dickson, who are directors and/or officers of the General Partner, are also directors, officers and/or shareholders of CADO Bancorp Ltd.

The registered office of CADO Bancorp Ltd. is 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia V7X 1T2.

THE SUBSIDIARY COMPANIES

The Subsidiary Companies are corporations that will be incorporated under the *Business Corporations Act* (British Columbia) or the *Canada Business Corporations Act*. The Subsidiary Companies will not have previously carried on any business nor is it anticipated that it will have any employees. However, prior to entering into Investment Agreements with the Partnership, Subsidiary Companies will acquire assets or otherwise commence business activities so that they will qualify as a “principal business corporation” for the purposes of the Tax Act when they enter into Investment Agreements with the Partnership and issue shares pursuant thereto. Each of the Subsidiary Companies will retain the General Partner to perform various management, advisory and supervisory services. The costs of these services will be borne by the Partnership. General and administrative costs will be borne by the Subsidiary Companies.

The Subsidiary Companies will be wholly-owned subsidiaries of the Partnership. They will be incorporated by the Partnership for the purpose of furthering the Partnership’s business of investment in the oil and natural gas exploration, development and production industry by purchasing properties on which Programs will be carried out and entering into Joint Venture Agreements with Oil & Gas Cos Accordingly, the business of the Subsidiary Companies will be oil and natural gas exploration and/or production.

The Subsidiary Companies will be authorized to issue an unlimited number of common shares. On incorporation, one common share will be issued to the Partnership by each Subsidiary Company. The Subsidiary Companies will issue Flow-Through Shares only to the Partnership.

The Flow-Through Shares of any Subsidiary Company will be entitled to one vote and will be fully paid and non-assessable. The holders of the Flow-Through Shares of a Subsidiary Company are entitled to dividends if, as, and when declared by the board of directors of the Subsidiary Company, and upon liquidation, to receive such assets of the Subsidiary Company as are distributable to the holders of such shares.

TECHNICAL ADVISORS

The General Partner may engage, on behalf of the Partnership, one or more professional engineering, geological, geophysical or other similar companies or persons (each a "Technical Advisor") to assist, where the General Partner considers it appropriate, with the evaluation of prospective Joint Ventures, and to conduct a valuation of a Subsidiary Company's Flow-Through Shares that are the subject of an Offer. The General Partner will engage a Technical Advisor that is independent of the General Partner, the Promoters and their respective affiliates and associates to evaluate any prospective Joint Ventures with, and to conduct valuations in respect of Offers from, private companies that are not at arm's length to the General Partner, the Promoters or their respective affiliates and associates. Technical Advisors may be engaged on behalf of the Subsidiary Companies in the future, as appropriate. The Technical Advisors may be paid a fee from proceeds of this Offering and/or an ongoing fee from any production revenues.

Currently, the General Partner has engaged Canadian Discovery to act as Technical Advisor to the Partnership. Canadian Discovery has a team of 10 geologists including geotechnical engineers, exploration analysts and geological technicians that are experienced in the evaluation of low to medium exploration opportunities. Canadian Discovery offers consultancy services and a number of other products and services which assist energy companies to analyze current exploration activity, production results, and industry trends throughout Canada, the United Kingdom, and the Arctic frontiers. In addition, Brickburn, which is one of the Promoters of the Offering, will provide geological, geo-physical, land, engineering and economic review, project analysis and evaluation services in connection with the evaluation of potential Joint Venture opportunities.

POTENTIAL LIQUIDITY

There is no market for the Units and it is not anticipated that any market will develop. The intention of the General Partner is to manage the Partnership so that Limited Partners may achieve a return on their investment and liquidity over the term of the Partnership, principally through:

- the distribution of any Distributable Cash received *via* dividends declared and paid on the Flow-Through Shares by the Subsidiary Companies; and
- the distribution of Offering Shares following the sale, pursuant to an Offer, of the Flow-Through Shares of a Subsidiary Company.

The General Partner may, if it considers it appropriate, not distribute Offering Shares directly to Limited Partners and may retain them in the Partnership's portfolio of assets, or may convert them to cash and retain the cash in the Partnership's portfolio. It may also be that the Partnership is unable to complete Offers and will retain the Flow-Through Shares of the Subsidiary Companies. If assets, including Offering Shares and/or Flow-Through Shares, have not previously been distributed to the Limited Partners and remain in the Partnership prior to December 31, 2011, the General Partner intends to implement a Liquidity Event on or before December 31, 2011. The General Partner presently anticipates that the Liquidity Event will be either a Mutual Fund Rollover Transaction or a Stock Exchange Listing. The Liquidity Event will be implemented on not less than 21 days' prior written notice to the Limited Partners. The General Partner may, in its sole discretion, call a meeting of Limited Partners to approve a Liquidity Event but intends to do so only if the actual terms of the Liquidity Event are substantially different from those presently intended and described in this prospectus. If such a meeting is called, no Liquidity Event will be implemented if a majority of Units voted at such meeting vote against proceeding with the Liquidity Event. **There can be no assurance that any such Liquidity Event will be proposed, receive the necessary approvals (including regulatory approvals) or be implemented.** In the event a Liquidity Event is not implemented by December 31, 2011, then, in the discretion of the General Partner, the Partnership may (a) be dissolved on or about December 31, 2012, and its net assets distributed *pro rata* to the Partners, or (b) subject to the approval by Extraordinary Resolution of the Limited Partners, continue in operation.

Each of these transactions is described below.

Offers. The General Partner will use commercially reasonable efforts to require that each Joint Venture Agreement contains provisions whereby each Oil & Gas Co will be obliged to make an Offer at what it considers to be fair market value to acquire all of the outstanding Flow-Through Shares of the Subsidiary Company which is party to such Joint Venture Agreement. Such Offer must be made 30 months after the date the Joint Venture is entered into, or as soon as practicable thereafter.

The General Partner expects that the consideration payable under the Offer, if any, will be comprised of: (a) shares of an Oil & Gas Co listed and trading on a Designated Stock Exchange; (b) other securities which, in the opinion of the General Partner, acting reasonably, have liquidity similar to the voting equity securities of a public Oil & Gas Co; (c) cash; or (d) any combination of these types of consideration.

The General Partner will not accept an Offer involving: (a) securities subject to a statutory hold period under applicable securities laws in Canada of greater than four months and one day; or (b) Offering Shares where the market for such Offering Shares is not anticipated to be sufficiently liquid to allow a Limited Partner to subsequently sell such Offering Shares for cash.

Prior to the making of the Offer, the General Partner will, on behalf of the Subsidiary Company, obtain a report prepared by a Technical Advisor, evaluating the fair market value of the reserves attributable to the Subsidiary Company's interest in the Joint Venture and the General Partner's Working Share utilizing discount rates which are appropriate in the circumstances. If the General Partner determines that the consideration payable under an Offer from an Oil & Gas Co for Flow-Through Shares of a Subsidiary Company is not equal to the fair market value of the Flow-Through Shares, or that the Partnership could obtain a materially better offer, the General Partner is not obligated to accept such an Offer and may solicit offers from other parties.

Fair market value has been described as the highest price, expressed in terms of money or money's worth, obtainable in an open and unrestricted market between knowledgeable, informed and prudent parties acting at arm's length. It has also been described as the value that can be obtained in a market in which sellers are ready but not too anxious to sell to potential arm's length purchasers ready and able to purchase.

If an Offer is not made or accepted, then the General Partner will attempt to market the particular Subsidiary Company's Flow-Through Shares to other potential purchasers, which may include other Oil & Gas Cos and oil and natural gas income or royalty trusts. If a Subsidiary Company is completely unsuccessful in its Program and/or there is no residual value in the Joint Venture, the Partnership will not expect to receive an Offer from the Oil & Gas Co for the Flow-Through Shares of the Subsidiary Company and the Subsidiary Company in question will be wound-up pursuant to the laws of its jurisdiction of incorporation. If a Subsidiary Company is unsuccessful in its Program, but funds remain within the Subsidiary Company, the Subsidiary Company will re-allocate the remaining funds to a new Joint Venture. See "Risk Factors".

Mutual Fund Rollover Transaction. If a Mutual Fund Rollover Transaction is implemented, the Partnership will transfer its assets to a Mutual Fund in exchange for Mutual Fund Shares. Within 60 days after the transfer of the assets of the Partnership to a Mutual Fund, the partnership will be dissolved and its net assets, consisting mainly of the Mutual Fund Shares, will be distributed to Limited Partners. Appropriate elections under applicable income tax legislation will be made to effect the Mutual Fund Rollover Transaction on a tax-deferred basis to the extent possible. Any assets of the Partnership that are transferred to the Mutual Fund pursuant to a Mutual Fund Rollover Transaction will be subject to and comply with the investment objectives of the particular Mutual Fund as well as applicable legislation.

Assuming such transfer is completed, the Partnership will receive Mutual Fund Shares, which will be redeemable at the option of the holder based upon the redemption price next determined after receipt by the Mutual Fund of the redemption notice. At the time of completion of the Mutual Fund Rollover Transaction, the Mutual Fund:

- (a) will be incorporated and organized as a “mutual fund corporation” for purposes of the Tax Act or will undertake to take all steps required to qualify as a “mutual fund corporation” under the Tax Act;
- (b) will not acquire from the Partnership any securities of an issuer which would be prohibited by the mutual fund conflict of interest rules contained in section 121(2) of the *Securities Act* (British Columbia), section 111(2) of the *Securities Act* (Ontario) and comparable provisions under the securities legislation of other Canadian provinces;
- (c) will have received all necessary regulatory approvals which it requires to participate in the Mutual Fund Rollover Transaction; and
- (d) will not be entitled to receive any commission in connection with the Mutual Fund Rollover Transaction and following such transaction may pay a management fee or such other customary fees for a mutual fund of this nature.

There is currently no Mutual Fund into which the assets of the Partnership may be transferred. If at the time the Mutual Fund Rollover Transaction is proposed there is no such Mutual Fund, the General Partner or its affiliate will use commercially reasonable efforts to identify or establish a Mutual Fund to effect such transaction.

Stock Exchange Listing. As an alternative to a Mutual Fund Rollover Transaction, the General Partner may seek a Stock Exchange Listing whereby the Partnership will directly list its Units (or the securities of another entity that acquires all or substantially all of the assets of the Partnership) for trading on a Designated Stock Exchange.

Pursuant to rules governing SIFT partnerships under the Tax Act, if Units are listed or traded on a stock exchange, the Partnership will be considered a “SIFT partnership” as defined in the Tax Act. As a SIFT partnership, the Partnership will be subject to partnership-level taxation on its “taxable non-portfolio earnings” as defined in the Tax Act, which is generally its (i) income from Canadian business operations, (ii) income (other than taxable dividends) from “non-portfolio property” as defined in the Tax Act (which includes Flow-Through Shares) and (iii) taxable capital gains from dispositions of “non-portfolio property” at a tax rate comparable to combined federal and provincial general corporate tax rates. Allocations to Limited Partners of the after-SIFT-tax portion of the Partnership’s “non-portfolio earnings” are deemed under the Tax Act to be dividends from a taxable Canadian corporation that qualify as “eligible dividends”. See “Stock Exchange Listing” under “Canadian Federal Income Tax Considerations”.

The General Partner has been granted all necessary power, on behalf of the Partnership and each Limited Partner, to implement Offers, transfer the assets of the Partnership to a Mutual Fund pursuant to a Liquidity Event, implement the dissolution of the Partnership thereafter and to file all elections deemed necessary or desirable by the General Partner to be filed under the Tax Act and any other applicable tax legislation in respect of any transaction with a Mutual Fund or the dissolution of the Partnership. The General Partner may, in its sole discretion, call a meeting of Limited Partners to approve a Liquidity Event and no Liquidity Event will be implemented if a majority of the Units voted at such meeting are voted against the Liquidity Event. The General Partner does not intend to call such a meeting unless the terms of the Liquidity Event are substantially different from those described herein.

Offers and a Liquidity Event will be subject to the receipt of certain regulatory and other approvals. **There can be no assurance that Offers will be required pursuant to the terms of the relevant Joint Venture Agreements, or that they will be made, or that all necessary approvals will be received in order to complete Offers or a Liquidity Event.**

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Tax considerations ordinarily make the Units offered hereunder most suitable for taxpayers whose income is subject to the highest applicable rate of tax. Regardless of any tax benefits that may be obtained, a decision to purchase Units should be based primarily on an appraisal of their merits as an investment and on a Subscriber's ability to bear the loss of the investment.

In the opinion of Borden Ladner Gervais LLP, counsel to the Partnership and the General Partner, and Blake, Cassels & Graydon LLP, counsel to the Agents, the following is a fair and accurate summary of the principal Canadian federal income tax consequences for a corporate or an individual Limited Partner acquiring, holding and disposing of purchased Units pursuant to this Offering. This summary only applies to Limited Partners who are and remain, at all relevant times, resident in Canada for purposes of the Tax Act and who hold their Units as capital property. This summary assumes that Flow-Through Shares of Subsidiary Companies to be acquired by the Partnership will be capital property to the Partnership. It is also assumed that all partners of the Partnership are resident in Canada at all relevant times and that Units that represent more than 50% of the fair market value of all interests in the Partnership are not held by Financial Institutions at all relevant times. This summary does not apply to a Limited Partner that makes a functional currency reporting election pursuant to the Tax Act. Where the phrase "his or her" is used in this summary in relation to Limited Partners, unless the context connotes otherwise, it refers to Limited Partners who are either individuals or corporations.

Unless stated otherwise, this summary assumes that recourse for any financing (except the requirement to pay the Second Instalment to the Partnership) for the acquisition of Units by a Limited Partner is not limited and is not deemed to be limited for the purposes of the Tax Act. (See "Canadian Federal Income Tax Considerations – Limitation on Deductibility of Expenses or Losses of the Partnership.") **Limited Partners who intend to borrow to finance the purchase of Units should consult their own tax advisors.**

This summary also assumes that a Limited Partner will at all relevant times deal at arm's length, for the purposes of the Tax Act, with the Partnership and with each of the Subsidiary Companies with which the Partnership has entered into an Investment Agreement. This summary is not applicable to Limited Partners that are partnerships, trusts, Financial Institutions, or "principal-business corporations" for the purposes of subsection 66(15) of the Tax Act or whose business includes trading or dealing in rights, licenses or privileges to explore for, drill for or take petroleum, natural gas or other related hydrocarbons, or an interest in which is a "tax shelter investment" for purposes of subsection 143.2(1) of the Tax Act.

This summary is based upon the assumptions that the Partnership or any other partnership of which the Partnership is a member is dealing at arm's-length and will deal at any relevant time at arm's length for purposes of the Tax Act with any Resource Company with which it has entered into an Investment Agreement and that the Resource Company does not have a "prohibited relationship", within the meaning of the Tax Act, with the Partnership or any other partnership of which the Partnership is a member.

The income tax consequences for a Limited Partner will depend upon a number of factors, including whether the Limited Partner's Units are characterized as capital property, the province or territory in which the Limited Partner resides, carries on business or has a permanent establishment, the amount that would be the Limited Partner's taxable income but for the Limited Partner's interest in the Partnership and the legal characterization of the Limited Partner as an individual, corporation, trust or partnership.

This is only a general summary and a prospective Subscriber should not consider it to be legal or tax advice. Prospective Subscribers should obtain independent advice from a tax advisor who is knowledgeable in the area of income tax law. A prospective Subscriber that proposes to use borrowed funds to acquire Units should consult his or her own tax advisors before doing so. See "Limitation on Deductibility of Expenses or Losses of the Partnership".

This summary is based upon the facts set out in this prospectus, a certificate received by counsel from the General Partner as to certain factual matters, the current provisions of the Tax Act including the regulations (the “Regulations”) thereunder and counsels’ understanding of the current published administrative practices of the CRA. The summary also takes into account all specific proposals to amend the Tax Act and Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof but not withdrawn (the “Tax Proposals”) and assumes that they will be enacted substantially as proposed, although no assurance in this regard can be given. This summary does not otherwise take into account or anticipate any changes in laws whether by judicial, governmental or legislative decision or action (which may apply retroactively without notice and/or without “grandfathering” or other relief) nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

Computation of Income

The Partnership itself is not liable for income tax and is only required to file an annual information return. Under the Partnership Agreement, the General Partner is required to file annual information returns. The Partnership is required to compute its income (or loss) in accordance with the provisions of the Tax Act for each of its fiscal periods as if it were a separate person resident in Canada, but without taking into account certain deductions, including the amount of Eligible Expenditures renounced to it. Subject to the restrictions described below under “Limitation on Deductibility of Expenses or Losses of the Partnership” and “October 31, 2003 Tax Proposals”, each Limited Partner will be required to include (or be entitled to deduct) in computing his or her income, his or her proportionate share of the income (or loss) of the Partnership allocated to him or her pursuant to the Partnership Agreement for the fiscal period of the Partnership ending in the Limited Partner’s taxation year. A Limited Partner’s share of the Partnership’s income must (or loss may) be included in determining his or her income (or loss) for the year, whether or not any distribution of income has been made by the Partnership.

Amounts relating to Eligible Expenditures renounced to the Partnership will be taken into account directly by the Limited Partners in computing their income as described below. See “Summary of the Partnership Agreement – Allocation of Eligible Expenditures”. The income of the Partnership will include the taxable portion of capital gains (one-half of capital gains) that may arise on the disposition of Flow-Through Shares. The Tax Act deems the cost to the Partnership of any Flow-Through Share which it acquires to be nil and, therefore, the amount of such capital gain will generally equal the proceeds of disposition of the Flow-Through Shares, net of any reasonable costs of disposition. The income of the Partnership will also include any interest earned on funds held by the Partnership prior to investment in Flow-Through Shares.

The costs associated with the organization of the Partnership will not be fully deductible by the Partnership in determining its income for the fiscal period in which they are incurred. Subject to the discussion below under the heading “October 31, 2003 Tax Proposals”, organization expenses incurred by the Partnership are eligible capital expenditures, three-quarters of which may be deducted by the Partnership at the rate of 7% per year on a declining balance basis.

Where the Partnership is a member of another limited partnership, Eligible Expenditures, gains, income and losses incurred or realized or earned by the other partnership will, in general, be determined in the manner applicable to the Partnership as described in this summary and allocated to the Limited Partners at the end of the fiscal period of the Partnership in which the fiscal period of the other partnership ends.

SIFT Rules

The Tax Act subjects certain publicly-traded flow-through entities, including certain publicly-traded income trusts and limited partnerships (referred to as “SIFT trusts” and “SIFT partnerships”), to tax and results in tax consequences to subscribers holding interests in such entities. Unless Units (or any securities of a trust or partnership that acquires all or substantially all of the assets of the Partnership) become listed or traded on a stock exchange pursuant to a Liquidity Event that is a Stock Exchange Listing, these amendments should not apply to the Partnership or to the Limited Partners because the General Partner has advised counsel that the Units or any security of any entity affiliated with the Partnership are not and/or are not proposed to be listed on a stock exchange or other similar public market. See “Stock Exchange Listing”.

October 31, 2003 Tax Proposals

Pursuant to draft proposed amendments to the Tax Act released by the Department of Finance on October 31, 2003, which are proposed to have effect for taxation years commencing after 2004 (the “October 31, 2003 Tax Proposals”), a taxpayer, which would include the Partnership and the Limited Partners for this purpose, will have a loss for a taxation year from a particular source that is a business or property only if, in that year, it is reasonable to expect that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, or held, or can reasonably be expected to carry on, or to hold, the business or property. The October 31, 2003 Tax Proposals expressly provide that profit for this purpose will not include capital gains or losses. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace the October 31, 2003 Tax Proposals would be released for comment at an early opportunity. There is no assurance such alternative proposal, which the Minister has not yet released for comment, will not adversely affect the Partnership or Limited Partners.

Eligible Expenditures

Provided that certain conditions in the Tax Act are complied with, the Partnership will be deemed to have incurred, on the effective date of renunciation, Eligible Expenditures that have been renounced (directly or indirectly through other partnerships) to the Partnership by a Resource Company pursuant to an Investment Agreement entered into by the Partnership and the Resource Company. See “The Partnership - Investment Agreements”.

Generally, an issuer of Flow-Through Shares may incur Eligible Expenditures, which are available for renunciation, commencing on the date the Investment Agreement is entered into.

Certain corporations with a “taxable capital amount” as that term is defined in subsection 66(12.6011) of the Tax Act of not more than \$15,000,000 may, generally speaking, renounce up to \$1,000,000 annually of Qualifying CDE. Upon renunciation to the Partnership, Qualifying CDE is deemed to constitute CEE to the Partnership and will be allocable by the Partnership to Limited Partners and will be added to their cumulative CEE on the basis described below.

CDE can only be renounced by a Resource Company (including a Subsidiary Company) to the Partnership with an effective date that is on or after the date the CDE is actually incurred by the Resource Company.

Provided that certain conditions are met, the issuer of the Flow-Through Shares will be entitled to renounce to the Partnership, effective December 31 of the year in which its Investment Agreement was entered into, CEE and Qualifying CDE incurred by it on or before December 31 (and renounced during the first three months) of the subsequent calendar year. Any such Eligible Expenditures properly so renounced by the issuer to the Partnership effective December 31 of the year in which the agreement was entered into may be allocated by the Partnership to Limited Partners, also effective on December 31 of that year. The General Partner has advised counsel that it will cause the Partnership to ensure that if an Investment Agreement entered into during 2008 permits a Resource Company to incur CEE and Qualifying CDE at any time up to December 31, 2009, the Resource Company will agree to renounce such CEE and Qualifying CDE to the Partnership with an effective date no later than December 31, 2008. Similarly, the General Partner has advised counsel that it will cause the

Partnership to ensure that if an Investment Agreement entered into during 2009 permits a Resource Company to incur CEE and Qualifying CDE at any time up to December 31, 2010, the Resource Company will agree to renounce such CEE and Qualifying CDE to the Partnership with an effective date no later than December 31, 2009. Limited Partners who pay the First Instalment in 2009 will not be entitled to an allocation of CEE or Qualifying CDE with an effective date prior to the date of such payment, such as in 2008.

To the extent Subsidiary Companies do not incur, as described in the preceding paragraph, the requisite amount of CEE and Qualifying CDE on or before December 31, 2009 or December 31, 2010, as the case may be, the CEE and Qualifying CDE renounced to the Partnership, and consequently the Eligible Expenditures allocated to the Limited Partners, will be adjusted downwards effective in the prior year. However, none of the Limited Partners will be charged interest before May 1, 2010 or May 1, 2011, as the case may be, by the CRA on any unpaid tax resulting from such reduction in allocated CEE and Qualifying CDE.

A Limited Partner who continues to be a Limited Partner at the end of a particular fiscal period of the Partnership will be entitled to include in the computation of his or her cumulative CDE and CEE account, his or her share of the Eligible Expenditures renounced to the Partnership effective in that fiscal period (other than a principal business corporation) allocated to him or her on a *pro rata* basis based on the number of Units held by such Limited Partner at the end of the applicable fiscal period, or in the event of the dissolution of the Partnership, on the date of dissolution. In the computation of income for purposes of the Tax Act from all sources for a taxation year, an individual or a corporation may deduct up to 30% of the balance of his or her cumulative CDE account (on a year-by-year declining balance basis commencing in the year renunciation is effective) and up to 100% of the balance of his or her cumulative CEE account in the year renunciation is effective.

A Limited Partner's share of Eligible Expenditures renounced to the Partnership in a fiscal year is limited to his or her "at-risk" amount in respect of the Partnership at the end of the fiscal year. If the Limited Partner's share of the Eligible Expenditures is so limited, any excess will be added to his or her share, as otherwise determined, of the Eligible Expenditures incurred by the Partnership for the immediately following fiscal year (and will be potentially subject to the application of the "at-risk" rules in that year).

The undeducted balance of a Limited Partner's cumulative CEE or CDE account may be carried forward indefinitely. The cumulative CDE and CEE account balance is reduced by deductions in respect thereof by a Limited Partner made in prior taxation years and by a Limited Partner's share of any amount that he or she or the Partnership receives or is entitled to receive in respect of assistance or benefits in any form that relate to the Limited Partner's investment in the Partnership. If, at the end of a taxation year, the reductions in calculating cumulative CDE or CEE exceed the aggregate of the cumulative CEE or CDE balance at the beginning of the taxation year and any additions thereto, the excess must be included in income for the taxation year and the cumulative CDE or CEE account will then be adjusted to a nil balance.

Any undeducted addition to a Limited Partner's cumulative CEE or CDE account which has been allocated to a Limited Partner will remain with the Limited Partner after a disposition of his or her Units or Flow-Through Shares. A Limited Partner's ability to deduct such expenses will not be restricted as a result of his or her prior disposition of Units unless a claim in respect of his or her Eligible Expenditures has been previously reduced by virtue of the application of the "at-risk" rules. In such instances, the Limited Partner's future ability to deduct such expenses relating to the Partnership may be eliminated.

Under the Tax Act, a Resource Company (including a Subsidiary Company) that issues Flow-Through Shares is prohibited from renouncing any Eligible Expenditures that are "Canadian exploration and development overhead expense" or that are in respect of certain "off-the-shelf" and certain other seismic data. Further, the amount of Eligible Expenditures that a Resource Company (including a Subsidiary Company) is able to renounce must be net of any "assistance" (as defined in the Tax Act) such company receives, is entitled to receive or may reasonable be expected to receive, at any time, in respect of the exploration or development activities to which the Eligible Expenditures relate.

Limitation on Deductibility of Expenses or Losses of the Partnership

Subject to the “at-risk” rules, and the October 31, 2003 Tax Proposals, a Limited Partner’s share of the business losses of the Partnership for any fiscal year may be applied against his or her income from any other source to reduce net income for the relevant taxation year and, to the extent it exceeds other income for that year, generally may be carried back three years and forward twenty years and applied against taxable income of such other years.

The Tax Act limits the amount of deductions, including Eligible Expenditures and losses, that a Limited Partner may claim as a result of his or her investment in the Partnership to the amount that the Limited Partner has contributed to the Partnership or otherwise has “at-risk” in respect thereof. Generally, a Limited Partner’s “at-risk” amount will, subject to the detailed provisions of the Tax Act, be the amount actually paid for Units plus the amount of any Partnership income (including the full amount of any Partnership capital gains) allocated to such Limited Partner for completed fiscal periods less the aggregate of the amount of any Eligible Expenditures renounced to the Partnership and allocated to the Limited Partner, the amount of any Partnership losses allocated to the Limited Partner and the amount of any distributions from the Partnership. A Limited Partner’s “at-risk” amount may be reduced by certain benefits or in circumstances where amounts are owed to the Partnership by the Limited Partner; however, a Limited Partner’s Second Instalment, if paid when due, does not limit the amount of deductions, including Eligible Expenditures and losses, that a Limited Partner may claim as a result of his or her investment in the Partnership.

The ability of a Limited Partner to deduct losses of the Partnership resulting from the deduction of Agents’ fees and expenses of issue upon the repayment of the funds borrowed to pay such expenses may be limited by the “at-risk” rules until the amount of Partnership income (including the full amount of any Partnership capital gains) allocated to such Limited Partner less the amount of any distributions from the Partnership exceeds the aggregate of all losses of the Partnership allocated to the Limited Partner and may be limited also by the October 31, 2003 Tax Proposals.

The Tax Act contains additional rules that restrict the deductibility of certain amounts by persons who acquire a “tax shelter investment” for purposes of the Tax Act. The Units are “tax shelter investments” and have been registered with the CRA under the “tax shelter” registration rules. See “Tax Shelter” below. If any Limited Partner has funded the acquisition of his or her Units with a financing the unpaid principal amount of which is a Limited Recourse Amount or has the right to receive certain amounts where such rights were granted for the purpose of reducing the impact of any loss that a Limited Partner may sustain by virtue of acquiring, holding or disposing of an interest in Units, the Eligible Expenditures or other expenses renounced to or incurred by the Partnership may be reduced by the amount of such financing to the extent that the financing can reasonably be considered to relate to such amounts. However, while the Second Instalment is a Limited Recourse Amount, it will not restrict the amount of deductions, including Eligible Expenditures and losses, that a Limited Partner may claim by reason of payment of the First Instalment to acquire Units. Once the Second Instalment is paid in 2009, it will cease to be a Limited Recourse Amount. The Partnership Agreement provides that where Eligible Expenditures of the Partnership are so reduced the amount of Eligible Expenditures that would otherwise be allocated by the Partnership to the Limited Partner who incurs the limited-recourse financing shall be reduced by the amount of the reduction. Where the reduction of other expenses reduces the loss of the Partnership, the Partnership Agreement provides that such reduction shall first reduce the amount of the loss that would otherwise be allocated to the Limited Partner who incurs the limited-recourse financing. The cost of a Unit to a Limited Partner may also be reduced by the total of limited-recourse amounts and “at-risk adjustments” that can reasonably be considered to relate to such Units held by the Limited Partner. Any such reduction may reduce the “at-risk” amount of the Limited Partner thereby reducing the amount of deductions otherwise available to the Limited Partner to the extent that deductions are not reduced at the Partnership level as described above.

Subscribers who propose to finance the acquisition of Units should consult their own tax advisors.

Income Tax Withholdings and Instalments

Limited Partners who are employees and have income tax withheld at source from remuneration paid by an employer may request the CRA to authorize a reduction of such withholding. The CRA, however, has a discretionary power whether or not to accede to such a request.

Limited Partners who are required to pay income tax on an instalment basis may, depending on the method used for calculating their instalments, take into account their share of the Eligible Expenditures renounced to, and any income or loss of, the Partnership in determining their instalment remittances.

Disposition of Units in Partnership

Subject to any adjustment required by the tax shelter investment rules and the other detailed provisions of the Tax Act, a Limited Partner's adjusted cost base of a Unit for purposes of the Tax Act will consist of the purchase price of the Unit (initially the First Instalment, then increased by the Second Instalment), increased by any share of income allocated to the Limited Partner (including the full amount of any income or capital gains realized by the Partnership, including on the disposition of the Flow-Through Shares) and reduced by any share of losses (including the full amount of any income or capital losses realized by the Partnership), the amount of Eligible Expenditures renounced to the Partnership and allocated to him or her, the amount of any investment tax credits claimed in preceding years, and the amount of any Partnership distributions made to him or her. The adjusted cost base of a Limited Partner's Units will be reduced on dissolution of the Partnership by the amount of the expenses of issue of the Partnership (including the Agents' fees) that are deductible by the Limited Partner as described above under "Computation of Income". Where, at the end of a fiscal period of the Partnership, including the deemed fiscal period that ends at the time immediately before dissolution of the Partnership, the adjusted cost base to a Limited Partner of a Unit becomes a negative amount, the negative amount is deemed to be an income or capital gain realized by the Limited Partner at that time from the disposition of the Unit and, also at that time, the Limited Partner's adjusted cost base of the Unit will be increased in an amount equal to that of the deemed in, so that the Limited Partner's adjusted cost base of the Unit at the time will be nil.

One-half of any capital gain (the "taxable capital gain") realized upon a disposition by a Limited Partner of his or her Units in the Partnership will be included in the Limited Partner's income for the year of disposition, and one-half of any capital loss so realized (the "allowable capital loss") may be deducted by the Limited Partner against taxable capital gains for the year of disposition. Subject to the detailed rules in the Tax Act, any excess of allowable capital losses over taxable capital gains of the Limited Partner may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years.

The Tax Act will treat as a disposition that gives rise to a capital gain or loss to the Limited Partner any forfeiture of Units to the Partnership or sale thereof that occurs as a full or partial remedy to the Partnership if the Limited Partner does not pay the Second Instalment on or before the Second Instalment Date. Recent judicial decisions in Canada suggest that partners, including limited partners are, in that capacity, necessarily dealing with each other (and presumably with the partnership) on a non-arm's length basis. One effect of these decisions is that, on such forfeiture or sale, the Limited Partner will be deemed for the purposes of the Tax Act to have effected such disposition for fair market value and be taxed accordingly, even if the partner receives no proceeds or proceeds that are less than fair market value.

A Limited Partner that is a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 2/3% on taxable capital gains.

A Limited Partner who is considering disposing of Units should obtain tax advice before doing so since ceasing to be a Limited Partner before the end of the Partnership's fiscal year may result in certain adjustments to his or her adjusted cost base, and will adversely affect his or her entitlement to a share of the Partnership's losses and Eligible Expenditures.

Dissolution of Partnership

Generally, the liquidation of the Partnership and the distribution of its assets to Limited Partners will constitute a disposition by the Partnership of such assets for proceeds equal to their fair market value and a disposition by Limited Partners of their Units for an equivalent amount. In the event the Liquidity Event is not implemented the Partnership will be dissolved, unless the Limited Partners approve the continuation of the operations of the Partnership by Extraordinary Resolution. Following a dissolution of the Partnership, certain costs incurred by the Partnership in marketing the Units, including expenses of issue and the Agents' fees that were deductible by the Partnership at a rate of 20% per annum, subject to proration for a short taxation year and subject also to the discussion above under the heading "October 31, 2003 Tax Proposals", will, to the extent they remain undeducted by the Partnership at the time of its dissolution, be deductible by the Limited Partners (based on their proportionate interest in the Partnership), on the same basis as they were deductible by the Partnership. A Limited Partner's adjusted cost base in his or her Units will be reduced by the aggregate of such undeducted expenses allocated to the Limited Partner. In circumstances where Limited Partners receive a proportionate undivided interest in each asset of the Partnership on the dissolution of the Partnership, and certain other requirements of the Tax Act are met, the Partnership is deemed to have disposed of its property at its cost amount and the Limited Partners are deemed to have disposed of their Units for the greater of the adjusted cost base of their Units and the aggregate of the adjusted cost bases of the undivided interests distributed to the Limited Partners plus the amount of any money distributed to the Limited Partners. This may be followed by a partition of such assets such that Limited Partners each receive a divided interest therein, which partition may or may not result in a disposition by Limited Partners for purposes of the Tax Act. Provided that under the relevant law shares may be partitioned, it is the CRA's position that shares may be partitioned on a tax deferred basis.

Offer From an Oil & Gas Co

If the Partnership accepts an Offer from an Oil & Gas Co under which there is an exchange of all or part of the Partnership's Flow-Through Shares (the "Sold Shares") solely for Offering Shares and provided the Partnership does not include in computing income any portion of the gain or loss arising on the exchange, the Partnership generally will be deemed under the Tax Act to have disposed of the Sold Shares for an amount equal to the adjusted cost base to the Partnership of the Sold Shares, and the cost to the Partnership of the Offering Shares received from the Oil & Gas Co on the exchange will be deemed to be equal to the adjusted cost base to the Partnership of the Sold Shares. Accordingly, in that event no capital gain (or capital loss) will be realized by the Partnership on the exchange.

In the event that (i) the Partnership enters into such an agreement with an Oil & Gas Co for the exchange of the Sold Shares for a combination of Offering Shares and some other consideration (for example, cash) or (ii) at the time of such exchange, the Partnership and the Oil & Gas Co do not deal with each other at arm's length or the Partnership (and/or certain persons related to it) controls, or owns more than 50% of the fair market value of the shares in the capital of, the Oil & Gas Co, the tax treatment described in the preceding paragraph may not be available. In that event, the Partnership's proceeds of disposition of the Sold Shares will generally be equal to the fair market value of the consideration received, net of any reasonable costs of making the disposition.

As an alternative to the rules governing an exchange of Flow-Through Shares reviewed immediately above, the Partnership, all Partners and the Oil & Gas Co may jointly sign and file the form prescribed for the purposes of subsection 85(2) of the Tax Act, wherein they elect that the proceeds of disposition of the Sold Shares for the purposes of the Tax Act will be any amount that they may designate provided, generally, that such amount is not greater than the fair market value of the Sold Shares at the time of the exchange nor less than the amount of any non-share consideration paid to the Partnership on the exchange. Accordingly, the proceeds of disposition so determined may give rise to a capital gain to the Partnership.

For a discussion about the taxation of capital gains and capital losses, see "Disposition of Units in Partnership" above.

Transfer of Partnership Assets to a Mutual Fund Corporation

If the Partnership transfers its assets to a mutual fund corporation pursuant to a Liquidity Event that is a Mutual Fund Rollover Transaction, provided the appropriate elections are made and filed in a timely manner, no taxable capital gains will be realized by the Partnership from the transfer. The mutual fund corporation will acquire each asset of the Partnership at the cost amount equal to the lesser of the cost amount thereof to the Partnership and the fair market value of the asset on the transfer date. Provided that the dissolution of the Partnership takes place within 60 days of the transfer of assets to the mutual fund corporation, the shares of the mutual fund corporation will be distributed to the Limited Partners with a cost for tax purposes equal to the adjusted cost base of the Units held by such Limited Partner less the amount of any money distributed to the Limited Partner and the Limited Partner will be deemed to have disposed of the Units for proceeds of disposition equal to that same cost plus the amount of any money so distributed. As a result, a Limited Partner will generally not be subject to tax in respect of such transaction.

Stock Exchange Listing

As an alternative Liquidity Event to a Mutual Fund Rollover Transaction, the General Partner may seek a Stock Exchange Listing whereby the Partnership will directly list its Units (or the securities of another entity that acquires all or substantially all of the assets of the Partnership) for trading on a Designated Stock Exchange.

Pursuant to rules governing “specified investment flow-through” (i.e., SIFT) partnerships under the Tax Act, if Units are listed or traded on a stock exchange, the Partnership will be considered a “SIFT partnership” as defined in the Tax Act. As a SIFT partnership, the Partnership will be subject to partnership-level taxation (“SIFT Tax”) on its “taxable non-portfolio earnings” as defined in the Tax Act, which is generally its (i) income from Canadian business operations, (ii) income (other than taxable dividends) from “non-portfolio property” as defined in the Tax Act (which includes Flow-Through Shares) and (iii) taxable capital gains from dispositions of “non-portfolio property” at a tax rate comparable to combined federal and provincial general corporate tax rates. The SIFT Tax rate is 32.5% in 2008. Tax Proposals applicable in 2009 and subsequent years provide that the provincial component of the SIFT Tax rate for the year will be prescribed under the Tax Act.

Allocations to Limited Partners of the after-SIFT Tax portion of the Partnership’s “non-portfolio earnings” are deemed under the Tax Act to be dividends from a taxable Canadian corporation that qualify as “eligible dividends” for the enhanced gross-up and tax-credit rules available to Limited Partners who are individuals and, with respect to Limited Partners that are taxable Canadian corporations, the deemed dividends generally are deductible in computing their income but they may be liable to pay a 33 1/3% refundable tax under Part IV of the Tax Act.

If securities of a trust or a partnership that acquires all or substantially all of the assets of the Partnership are the subject of a Stock Exchange Listing, that trust may be a “SIFT trust” as defined in the Tax Act or that partnership may be a “SIFT partnership”. Rules in the Tax Act governing SIFT trusts are similar to the SIFT partnership rules.

Alternative Minimum Tax on Individuals

Under the Tax Act, income tax payable by an individual is the greater of an alternative minimum tax and the tax otherwise determined. In calculating taxable income for the purpose of computing the alternative minimum tax, certain deductions and credits otherwise available are disallowed and certain amounts not otherwise included, such as 80% of net capital gains, are included. The disallowed items include deductions claimed by the individual in respect of his or her share of Eligible Expenditures renounced to the Partnership in a particular fiscal period thereof to the extent such deductions exceed his or her share of the Partnership’s income. In computing adjusted taxable income for alternative minimum tax purposes, an exemption of \$40,000 is allowed to a taxpayer who is an individual, other than most *inter vivos* trusts. The federal rate of minimum tax is 15%. Whether and to what extent the tax liability of a particular Limited Partner will be increased as a result of the application of the alternative minimum tax rules will depend on the amount of his or her income, the sources from which it is derived, and the nature and amounts of any deductions he or she claims.

Any additional tax payable by an individual for the year resulting from the application of the alternative minimum tax will be deductible in any of the seven immediately following taxation years in computing the amount that would, but for the alternative minimum tax, be his or her tax otherwise payable for any such year.

Subscribers who are individuals are urged to consult their tax advisors as to the potential application of the alternative minimum tax.

Tax Shelter

The federal tax shelter identification number in respect of the Partnership is TS 074708. The identification number issued for this tax shelter is to be included in any income tax return filed by the Subscriber. Issuance of the identification number is for administrative purposes only and does not in any way confirm the entitlement of any Subscriber to claim any tax benefits associated with the tax shelter.

FEES, CHARGES AND EXPENSES PAYABLE BY THE PARTNERSHIP

Initial Expenses

The expenses of this Offering (including the costs of creating and organizing the Partnership and the Subsidiary Companies, the costs of printing and preparing the prospectus, legal expenses of the Offering, marketing expenses and legal and other reasonable out-of-pocket expenses incurred by the Agents and other incidental expenses) are estimated to be \$157,500 in the event that the Minimum Offering is attained and \$640,000 in the event that the Maximum Offering is attained. In addition, the Agents' fee of \$7.25 per Unit sold under the Offering will be paid in full to the Agents on each Closing. The foregoing expenses will be paid by the Partnership, in respect of Units sold in 2008, from the First Instalments received in 2008 (and will not be dependent upon receipt by the Partnership of the Second Instalment amounts), and, in respect of Units sold in 2009, from the proceeds of Unit sales in 2009. However, in the event the Offering expenses, other than the Agents' fee, exceed 5.25% of the Gross Proceeds, the General Partner will be responsible for the shortfall. See "Use of Proceeds".

General Partner's Fee

As partial consideration for administering, managing, supervising and operating the business and affairs of the Partnership during the period commencing on the initial Closing Date and ending the earlier of (a) the effective date of a Liquidity Event and (b) the date of dissolution of the Partnership, the Partnership will pay to the General Partner a General Partner's Fee equal to one-twelfth of 2.0% of the Gross Proceeds, payable monthly in arrears and pro-rated in respect of any partial month, if applicable. The General Partner may pay dealers trailer fees or commissions in respect of Units sold by them, which may in turn be allocated to their personnel, including financial advisers. These trailer fees or commissions will be paid out of the General Partner's Fee.

Performance Bonus

Under the Partnership Agreement, the Partnership will pay to the General Partner, as partial consideration for administering, managing, supervising and operating the business and affairs of the Partnership, the Performance Bonus, being a 20% share of all Distributions, once Limited Partners have received, in total, cumulative Distributions equal to 100% of their aggregate capital contribution (being the aggregate subscription price for the Units subscribed for by the Limited Partners). The General Partner may allocate a portion of its Performance Bonus, if any, to dealers that sell Units, which may in turn be allocated to their personnel, including financial advisers.

General Partner's Share

In consideration of the General Partner providing various management, administrative, advisory, negotiating and supervisory services to the Subsidiary Companies, including identifying, researching, structuring, advising on and administering the Joint Ventures with the Oil & Gas Cos, and to align the compensation of the General Partner with the success of the Joint Ventures, the Partnership has agreed pursuant to the Partnership Agreement to cause each Subsidiary Company to grant the General Partner a General Partner's Share, which entitles the General Partner to 10% of each Subsidiary Company's Gross Over-Riding Royalty. This interest will also entitle the General Partner to 10% of the consideration received by each Subsidiary Company pursuant to Offers.

Operating and Administrative Expenses

The Partnership is responsible for all reasonable out-of-pocket costs and expenses (inclusive of applicable taxes) that are incurred by the General Partner on behalf of the Partnership in the ordinary course of business or other costs and expenses incidental to acting as General Partner so long as the General Partner is not in default of its obligations under the Partnership Agreement. Such costs and expenses will include reimbursement for any overhead costs or costs of personnel of the General Partner and its affiliated companies who provide services to the Partnership. It is expected that these reimbursable costs and expenses will include without limitation:

- (a) newswire, mailing, printing and other expenses incurred in connection with the Partnership's continuous disclosure obligations;
- (b) the Partnership's share of the costs of providing, operating and staffing business offices and providing administrative, management and accounting services, determined by the General Partner acting reasonably and in good faith;
- (c) fees and disbursements payable to CDS or the Registrar and Transfer Agent for performing certain financial, record-keeping, reporting and general administrative services;
- (d) fees and disbursements payable to auditors, legal advisors and other specialized consultants or professional service providers of the Partnership;
- (e) taxes, other than income taxes related to such costs and expenses and any regulatory filing fees;
- (f) any reasonable out-of-pocket expenses incurred by the General Partner or its agents in connection with their respective ongoing obligations to the Partnership, including travelling, sales and marketing expenses;
- (g) expenses relating to meetings of the Limited Partners;
- (h) any out-of-pocket expenditures which the General Partner may incur in connection with evaluating Program and Joint Ventures and preparing and negotiating Joint Venture Agreements and Offers;
- (i) expenditures incurred in connection with activities at Additional Wells or pursuant to Earned Interests; and
- (j) any expenditures which may be incurred in connection with the completion of Offers, dissolution of the Partnership and implementation of a Liquidity Event.

Geological and Engineering Expense Reimbursement

Subsidiary Companies will reimburse Brickburn for the geological, geo-physical, land, engineering and economic review, project analysis and evaluation expenses incurred by it in connection with the evaluation of potential Joint Venture opportunities in an amount up to 2.0% of the Gross Proceeds.

The only source of reimbursement for these fees, charges and expenses will be the Operating Reserve, cash flow from successful wells or funds borrowed by the Partnership. See "Risk Factors".

DESCRIPTION OF THE UNITS

The interests of the Limited Partners in the Partnership will be divided into an unlimited number of Units, of which a minimum of 30,000 Units and maximum of 400,000 Units will be issued pursuant to the Offering. Except as otherwise expressly provided for in the Partnership Agreement, each issued and outstanding Unit shall be equal to each other Unit with respect to all rights, benefits, obligations and limitations provided for in the Partnership Agreement and all other matters and no Unit shall have preference, priority or right in any circumstance over any other Unit. At all meetings of the Limited Partners, each Limited Partner will be entitled to one vote for each Unit held. Each Limited Partner will contribute to the capital of the Partnership \$100.00 for each Unit purchased. There are no restrictions as to the maximum number of Units that a Limited Partner may hold in the Partnership, subject to limitations on the number of Units that may be held by Financial Institutions and provisions relating to takeover bids. The minimum purchase for each Limited Partner is 50 Units. Additional purchases may be made in single Unit multiples of \$100.00. Fractional Units will not be issued. The Units constitute securities for the purposes of the *Securities Transfer Act* (Ontario) and similar legislation in other jurisdictions. See “Summary of the Partnership Agreement”.

If Units are purchased in 2008 and paid for by way of instalments, the Units will be pledged to the Partnership as continuing security for the payment of the Second Instalment, and title to the Units will be held by Valiant until the Second Instalments have been fully paid. See “Summary of the Partnership Agreement – Units”.

SUMMARY OF THE PARTNERSHIP AGREEMENT

The rights and obligations of the Limited Partners and the General Partner are governed by the Partnership Agreement, the *Partnership Act* (British Columbia) and applicable legislation in each jurisdiction in which the Partnership carries on business. The statements in this prospectus concerning the Partnership Agreement summarize only some of its provisions and do not purport to be complete. Reference should be made to the Partnership Agreement for the complete details of these and other provisions therein.

Subscriptions

Subscriptions will be received subject to acceptance or rejection in whole or in part by the General Partner on behalf of the Partnership and the right is reserved to close the Offering of Units at any time without notice. Registrations of interests in fully-paid Units will be made only through the book-based system administered by CDS. A global certificate representing the non-fully-paid Units sold in 2008 will be issued in registered form to Valiant or its nominee and will be deposited with Valiant on the initial Closing, and upon due payment of the Second Instalment, a new global certificate will be issued in registered form to CDS or its nominee and deposited with CDS as soon as possible thereafter. Global certificates representing the fully-paid Units purchased in 2008 and 2009 will be issued in registered form only to CDS or its nominee and will be deposited with CDS on the date of each Closing. A Subscriber who purchases Units will receive only a customer confirmation from the registered dealer or broker from or through whom he or she has purchased Units and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system.

Limited Partners

A Subscriber whose subscription for Units has been accepted by the General Partner will become a Limited Partner upon the entering of his or her name on the register of Limited Partners and the General Partner executing the Partnership Agreement on behalf of the Subscriber. Limited Partners will not be permitted to take part in the management or control of the business of the Partnership or exercise power in connection with the business of the Partnership.

Units

The interests of the Limited Partners in the Partnership will be divided into an unlimited number of Units, of which a minimum of 30,000 Units and a maximum of 400,000 Units will be issued pursuant to the Offering. Except as otherwise expressly provided for in the Partnership Agreement, each issued and outstanding Unit shall be equal to each other Unit with respect to all rights, benefits, obligations and limitations provided for in the Partnership Agreement and all other matters, including the right to distributions from the Partnership and no Unit shall have preference, priority or right in any circumstances over any other Unit. At all meetings of the Limited Partners, each Limited Partner will be entitled to one vote for each Unit held. Each Limited Partner will contribute to the capital of the Partnership \$100.00 for each Unit purchased. There are no restrictions as to the maximum number of Units that a Limited Partner may hold in the Partnership, subject to limitations on the number of Units that may be held by Financial Institutions and provisions relating to takeover bids. The minimum purchase for each Limited Partner is 50 Units. Additional purchases may be made in single Unit multiples of \$100.00. Fractional Units will not be issued. Units cannot be purchased by "non-residents" as defined in the Tax Act.

The Initial Limited Partner has contributed the sum of \$100.00 to the capital of the Partnership. The Initial Unit issued to the Initial Limited Partner will be redeemed, and such capital contribution repaid, on the initial Closing Date. The General Partner has contributed the sum of \$10.00 to the capital of the Partnership. The General Partner is not required to subscribe for any Units or otherwise contribute further capital to the Partnership.

The Partnership Agreement will provide that title to the Units purchased in 2008 will be held by Valiant until the Second Instalments have been fully paid. Upon the initial Closing of the Offering, the Agents will pledge the Units to the Partnership, the Units will be registered in the name of Valiant and held by Valiant. The holders of Units will pledge and grant a security interest to the Partnership. By acquiring and holding Units, the holder thereof acknowledges that: (a) the Units will be held as continuing security for payment of the instalments in respect thereof, and that such security will remain in effect and be binding and effective notwithstanding any transfer of or other dealings with the Units; (b) the pledge will remain in effect and be binding and effective notwithstanding any transfer of or other dealings with the Units; and (c) the Partnership may pledge its rights under the Partnership Agreement to secure the due and timely repayment of indebtedness.

Holders of Units purchased in 2008 will receive notice of the applicable due date for an instalment and the amount of such instalment. Such notice will be sent not more than 60 days and not less than 30 days prior to the applicable due date. Payment of the instalment is required in full when due whether or not a holder receives a notice of the due date.

Subject to compliance with the provisions of the Partnership Agreement, as soon as practicable after timely payment of the Second Instalment, the Unit represented thereby will be registered in the name of, and a customer confirmation from the registered dealer who is a CDS Participant will be forwarded to, the holder of the Unit without additional charge.

A holder of a Unit is obligated to make payment, in accordance with the provisions of the Partnership Agreement, of the Second Instalment on or before the Second Instalment Date. The registration of Units following payment of the Second Instalment shall occur as soon as possible thereafter.

Liability for Unpaid Instalment

Pursuant to the Partnership Agreement, the Units purchased in 2008 will be pledged to the Partnership as continuing security for the payment of the Second Instalment, until the Second Instalment has been fully paid. If payment of the Second Instalment is not duly received in full by the Partnership on or before the Second Instalment Date, the Partnership Agreement provides that the Partnership shall have, in addition to any other recourse provided at law and subject to the provisions of any applicable legislation protecting the rights of debtors, the following rights in respect of a Limited Partner who defaults in making payment of the Second Instalment:

- (a) the Partnership may declare, in respect of a default in payment of the Second Instalment, the Units held by such holder to be forfeited to the Partnership (subject to compliance with the requirements of applicable law) and if any such Unit is forfeited, it will be cancelled; or
- (b) the Partnership may:
 - (i) sell, under such terms and in such manner as the Partnership may deem appropriate, some or all of the Units held by that holder on behalf of such holder (unless the default is remedied within 14 days after notice thereof) with the net proceeds of such a sale to be used to satisfy the unpaid amount owing by such holder, together with interest thereon and costs incurred by the Partnership in exercising its remedies in the event of default, and any surplus will be paid to the defaulting holder, and, if the net proceeds of such a sale are not sufficient to remedy the default, the Partnership may institute legal proceedings against the defaulting holder to recover the deficiency with any such deficiency being payable on demand;
 - (ii) institute legal proceedings against the defaulting holder to recover the unpaid amount owing by such holder, together with interest thereon, in which event the defaulting holder will continue to beneficially hold the Units held by such holder, other than those Units sold by the Partnership pursuant to paragraph (i) above; and/or
 - (iii) withhold from the defaulting holder any Distributions which are then, and from time to time thereafter, otherwise distributable to such defaulting holder until such time as the aggregate amount of such Distributions so withheld is equal to the amount of such unpaid amount owing by such holder, together with interest thereon, and shall, in such event, apply the withheld Distribution against the unpaid amount owing by such holder, together with interest and, in such event, the defaulting holder will continue to beneficially hold the Units held by the holder, other than those Units sold by the Partnership pursuant to paragraph (i) above, with any withheld Distribution to be allocated to the defaulting holder and to be retained by the Partnership for the Partnership's purposes.

All payments by a holder in respect of the Subscription Price which are in default will bear interest at a rate of 5% per annum over the prime rate from time to time.

The Partnership may assign its rights under the Partnership Agreement, at the discretion of the General Partner. In particular, the Partnership may sell or transfer all or part of the outstanding instalment receivables through a factoring, monetization or similar arrangement to provide the Partnership with increased assurance of payment of such unpaid instalments, to provide increased flexibility to borrow against the unpaid instalments, or otherwise. The Partnership may, upon such a sale or transfer, take back cash, a note or other assets, which may or may not be discounted from the face value of the instalment receivables sold or transferred. In connection with such an arrangement, the Partnership may assign to the purchaser or transferee an interest in the Units which have been pledged to the Partnership as security for the payment of the outstanding instalment receivables.

Financing Acquisition of Units

Under the terms of the Partnership Agreement, each Limited Partner represents and warrants that, except for the Second Instalment, no portion of the subscription price for his or her Units has been financed with any borrowing that is a Limited Recourse Amount. Under the Tax Act, if a Limited Partner finances the acquisition of his or her Units with a Limited Recourse Amount the expenses incurred by the Partnership may be reduced. The Partnership Agreement provides that where the expenses incurred by the Partnership are so reduced (which is not the case with respect to the Second Instalment) and such reduction results in the reduction of a loss to the Partnership, the General Partner will reduce the amount of that loss which would otherwise be allocated to that Limited Partner by the amount of such reduction, before allocation of that loss to the other Limited Partners. **Subscribers who propose to borrow or otherwise finance the subscription price of Units should consult their**

own tax and professional advisers to ensure that any such borrowing or financing will not be a Limited Recourse Amount.

Transfer of Units

There is no market through which the Units may be sold and none is expected to develop. The Units will not be listed on any stock exchange. Subscribers are likely to find it difficult or impossible to sell their Units. Under the Partnership Agreement, Units may be transferred by a Limited Partner subject to the following conditions: (a) the Limited Partner must deliver to CDS and to the Registrar and Transfer Agent, a form of transfer and power of attorney, substantially in the form annexed as Schedule A to the Partnership Agreement, duly completed and executed by the Limited Partner, as transferor, and the transferee and other necessary documentation duly executed, together with such evidence of the genuineness of the endorsement, execution and authorization thereof and of such other matters as may reasonably be required by CDS and/or the Registrar and Transfer Agent; (b) the transfer of Units must be recorded in the book-based system; (c) the transferee will not become a Limited Partner in respect of the Unit transferred to him or her until the prescribed information has been entered on the register of Limited Partners; (d) no transfer of a Unit shall cause the dissolution of the Partnership; (e) no transfer of a fractional part of a Unit shall be recognized; (f) any transfer of a Unit is at the expense of the transferee (but the Partnership will be responsible for all costs in relation to the preparation of any amendment to the Partnership's register and similar documents in jurisdictions other than British Columbia); and (g) no transfer of Units will be accepted by the Registrar and Transfer Agent after notice of dissolution of the Partnership is given to the Limited Partners. All transfers of Units are subject to the approval of the General Partner. The General Partner intends not to approve transfers of Units other than in exceptional circumstances, and in no event will the General Partner approve a Limited Partner's transfer request if the Second Instalment remains outstanding.

A transferee of Units, by executing the transfer form, agrees to become bound and subject to the Partnership Agreement as a Limited Partner as if the transferee had personally executed the Partnership Agreement and to grant the power of attorney provided for in Article 19 of the Partnership Agreement. The form of transfer includes representations, warranties and covenants on the part of the transferee that the transferee is not a "non-resident" for purposes of the Tax Act and is not a "non-Canadian" for purposes of the ICA, that no holder of an equity interest in the transferee is a "tax shelter investment", as defined in the Tax Act, that the transferee is not a partnership (except a "Canadian partnership" for purposes of the Tax Act), that the transferee is not a Financial Institution, that the transferee is not a Resource Company and deals at arm's length within the meaning of the Tax Act with any Resource Company, Subsidiary Company, the General Partner or any Oil & Gas Co that is party to a Joint Venture, the transferee identifies all Subsidiary Companies with which the transferee does not deal at arm's length, that the acquisition of Units by the transferee was not, and will not be, financed through indebtedness which is a Limited Recourse Amount and that he or she will continue to comply with these representations, warranties and covenants during the time that the Units are held by him or her. If the General Partner reasonably believes the transferee has financed the acquisition of Units with indebtedness that is a Limited Recourse Amount, it will reject the transfer. The General Partner has the right to reject the transfer of Units, in whole or in part, to a transferee who it believes to be a "non-resident" for the purposes of the Tax Act, a "non-Canadian" for the purposes of the ICA a person an interest in which is a "tax shelter investment" for purposes of the Tax Act, a Financial Institution or partnership. In addition, the General Partner may reject any transfer: (a) if in the opinion of counsel to the Partnership such transfer would result in the violation of any applicable securities laws; or (b) if the General Partner believes that the representations and warranties provided by the transferee in the required form of transfer are untrue. A transferor of Units will remain liable to reimburse the Partnership for any amounts distributed to such transferor by the Partnership which may be necessary to restore the capital of the Partnership to the amount existing immediately prior to such distribution, if the distribution resulted in a reduction of the capital of the Partnership and the incapacity of the Partnership to pay its debts as they became due.

Under certain circumstances, the General Partner may require Limited Partners who become "non-residents" for the purposes of the Tax Act to transfer their Units to persons who are not "non-residents" of Canada. If a Non-Resident Limited Partner does not sell their Units as required, the General Partner has the right pursuant to the Partnership Agreement either to purchase such Units for cancellation for and on behalf of the Partnership or sell, on behalf of the Partnership, such Units to a person who is qualified to hold Units, in either case at their fair value as determined by the General Partner.

The Partnership Agreement provides that if the General Partner becomes aware that the beneficial owners of 45% or more of the Units then outstanding are, or may be, Financial Institutions or that such a situation is imminent, among other rights set forth in the Partnership Agreement, the General Partner has the right to refuse to issue Units or register a transfer of Units to any person unless that person provides a declaration that it is not a Financial Institution.

Functions and Powers of the General Partner

The General Partner has exclusive authority, responsibility and obligation to administer, manage, conduct, control and operate the business and affairs of the Partnership and has all power and authority, for and on behalf of and in the name of the Partnership, to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary or appropriate for or incidental to carrying on the business of the Partnership. The authority and power so vested in the General Partner is broad and includes all authority necessary or incidental to carry out the objects, purposes and business of the Partnership. The General Partner may contract with any third party to carry out the duties of the General Partner under the Partnership Agreement and may delegate to such third party any power and authority of the General Partner under the Partnership Agreement where in the discretion of the General Partner it would be in the best interests of the Partnership to do so, but no such contract or delegation will relieve the General Partner of any of its obligations under the Partnership Agreement.

Pursuant to the Partnership Agreement the General Partner has agreed, among other things: (a) to deliver certain tax shelter information forms, annual reports and financial statements to the Limited Partners; (b) to engage such counsel, auditors and other professionals or other consultants as the General Partner considers advisable in order to perform its duties under the Partnership Agreement and to monitor the performance of such advisors; (c) to grant security, encumbrances or restrictions on behalf of the Partnership and the Subsidiary Companies; (d) to execute and file with any governmental body any documents necessary or appropriate to be filed in connection with the business of the Partnership or in connection with the Partnership Agreement; (e) to raise capital on behalf of the Partnership by offering Units for sale; (f) work with the Agents in developing and implementing all aspects of the Partnership's communications, marketing and distribution strategy; (g) to invest Available Funds in Flow-Through Shares and of Subsidiary Companies in accordance with the Investment Strategy and the Investment Guidelines; (h) execute and file with any governmental body or stock exchange, any document necessary or appropriate to be filed in connection with such investment; (i) pending the investment of the Available Funds in Subsidiary Companies, to invest, or cause to be invested, all Available Funds in High-Quality Money Market Instruments; (j) to distribute property of the Partnership in accordance with the provisions of the Partnership Agreement; (k) make on behalf of the Partnership and each Limited Partner, in respect of each such Limited Partner's interest in the Partnership, any and all elections, determinations or designations under the Tax Act or any other taxation or other legislation or laws of like import of Canada or any province or jurisdiction; and (l) file, on behalf of the Partnership and each Limited Partner, in respect of such Limited Partner's interest in the Partnership, any information return required to be filed in respect of the activities of the Partnership under the Tax Act or any other taxation or other legislation or laws of like import of Canada or any province or jurisdiction.

Generally, the General Partner is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Limited Partners and the Partnership and shall, in discharging its duties, exercise the degree of care, diligence and skill that a reasonably prudent and qualified manager would exercise in discharging its duties in similar circumstances. During the existence of the Partnership, the officers of the General Partner will devote such time and effort to the business of the Partnership as may be necessary to promote adequately the interests of the Partnership and the mutual interests of the Limited Partners. Prior to the dissolution of the Partnership, the General Partner shall not engage in any business other than acting as the General Partner of the Partnership.

Fees and Expenses

The Partnership Agreement provides for the payment of certain fees and the reimbursement of certain expenses, all of which are set out under "Fees, Charges and Expenses Payable by the Partnership".

Resignation, Replacement or Removal of General Partner

The General Partner may voluntarily resign as the general partner of the Partnership at any time upon giving at least 180 days' written notice to the Limited Partners, provided the General Partner nominates a qualified successor whose admission to the Partnership as a general partner is ratified by the Limited Partners by Ordinary Resolution within such period. Such resignation will be effective upon the earlier of: (i) 180 days after such notice is given, if a meeting of Limited Partners is called to ratify the admission to the Partnership as a general partner of a qualified successor; and (ii) the date such admission is ratified by the Limited Partners by Ordinary Resolution. The General Partner will be deemed to have resigned upon bankruptcy or dissolution and in certain other circumstances if a new general partner is appointed by the Limited Partners by Ordinary Resolution within 180 days' notice of such event. The General Partner is not entitled to resign as general partner of the Partnership if the effect of its resignation would be to dissolve the Partnership.

The General Partner may be removed at any time if: (a) the General Partner has committed fraud or wilful misconduct in the performance of, or wilful disregard or breach of, any material obligation or duty of the General Partner under the Partnership Agreement; (b) its removal as general partner has been approved by an Extraordinary Resolution; and (c) a qualified successor has been admitted to the Partnership as the general partner and has been appointed as the general partner of the Partnership by Ordinary Resolution of the Limited Partners, provided that the General Partner shall not be removed in respect of a curable breach of an obligation or duty of the General Partner under the Partnership Agreement unless it has received written notice thereof from a Limited Partner and has failed to remedy such breach within 30 days of receipt of such notice. It is a condition precedent to the resignation or removal of the General Partner that the Partnership shall pay all amounts payable by the Partnership to the General Partner pursuant to the Partnership Agreement accrued to the date of resignation or removal.

The remuneration of any new general partner will be determined by Ordinary Resolution of the Limited Partners. Upon any resignation, replacement or removal of a general partner, the general partner ceasing to so act is required to transfer title of any assets of the Partnership in its name to the new general partner.

Allocation of Income and Loss

Income or loss of the Partnership (including capital gains and losses) will be allocated among the Limited Partners at the end of each Fiscal Year of the Partnership in proportion to the number of Units held by them at the end of that Fiscal Year. Taxable Income or Net Loss or Taxable Loss and Eligible Expenditures of the Partnership for any Fiscal Year will be allocated among the Partners as follows: (a) 99.99% of Net Losses will be allocated to the Limited Partners and 0.01% to the General Partner; (b) until the Limited Partners have received, in total, cumulative Distributions equal to 100% of their aggregate Capital Contributions, 100% of Net Income will be allocated to the Limited Partners; (c) after the Limited Partners have received, in total, cumulative Distributions equal to 100% of their aggregate Capital Contributions, 80% of Net Income will be allocated to the Limited Partners and 20% will be allocated to the General Partner; (d) Taxable Income or Taxable Loss, to the extent permitted under the Tax Act having regard to the allocations made in respect of previous Fiscal Periods, will be allocated in the same manner as Net Income or Net Loss; (e) any Taxable Income or Taxable Loss which cannot be allocated under subsection (d) above will be allocated in the manner that the General Partner determines to be fair and equitable and consistent with the intent of subsection (c) above; and (f) Eligible Expenditures renounced to the Partnership by the Subsidiary Companies effective for a particular calendar year will be allocated by the Partnership among the persons who are or were Limited Partners at the end of that year in proportion to the number of Units held by them at that time, irrespective of whether a Limited Partner at that time was a subscriber for Units or a transferee thereof and whether or not he or she ceased to be a Limited Partner when the allocation is made.

Cash Distributions

Commencing with the calendar quarter ending June 2009, the Partnership intends, as soon as practicable after the end of each calendar quarter (or such other dates as the General Partner may determine), distribute to the Partners an amount which is equal to the amount of the Distributable Cash of the Partnership at the end of that quarter, provided that the portion of the Distributable Cash then available for distribution to Limited Partners exceeds \$1.00 per Unit. The Partnership may also make from time to time such additional Distributions as the General Partner may determine to be appropriate.

Until such time as the Limited Partners have received cumulative Distributions equal to 100% of their aggregate Capital Contributions, 100% of the Distributable Cash will be distributed to the Limited Partners. After the Limited Partners have received Distributions equal to 100% of their aggregate Capital Contributions, the Partnership will distribute 80% of the Distributable Cash to the Limited Partners and 20% of the Distributable Cash to the General Partner.

Asset Distributions

In circumstances that the General Partner considers appropriate, the General Partner may make a Distribution of fully paid non-assessable shares, other than Flow-Through Shares, or debt instruments under which the holder thereof has no material obligations to the debtor owned by the Partnership and any other property of the Partnership or in a combination of cash and any such shares, debt instruments or other property (“Distributable Assets”) with fair market value, together with all cash held by the Partnership at that time, in excess of the Operating Reserve of the Partnership at that time. If a Distribution is not in the form of cash, then the General Partner, acting reasonably, may determine the value of the Distributable Assets by reference to its fair market value and for the purposes of the Partnership Agreement the value so determined shall be the amount of that Distribution. Until such time as the Limited Partners have received cumulative Distributions equal to 100% of their aggregate Capital Contributions, 100% of any Distributable Assets that are paid out as a Distribution will be distributed to the Limited Partners. After the Limited Partners have received Distributions equal to 100% of their aggregate Capital Contributions, 80% of the Distributable Assets paid out as a Distribution will be distributed to the Limited Partners and 20% of the Distributable Assets paid out as a Distribution will be distributed to the General Partner.

Limited Liability of Limited Partners

The Partnership was formed in order for Limited Partners to benefit from liability limited to the extent of their capital contributions to the Partnership and their *pro rata* share of the undistributed income of the Partnership. Under the Partnership Agreement, Limited Partners may lose the protection of limited liability: (a) to the extent that the principles of Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one province but operating, owning property or incurring obligations in another province; or (b) by taking part in the management or control of the business of the Partnership; or (c) as a result of false or misleading statements in public filings made pursuant to the *Partnership Act* (British Columbia). The General Partner will cause the Partnership to be registered as an extra-provincial limited partnership in the jurisdictions in which it operates, owns property, incurs obligations, or otherwise carries on business, to keep such registrations up to date and to otherwise comply with the relevant legislation of such jurisdictions. To ensure, to the greatest extent possible, the limited liability of the Limited Partners with respect to activities carried on by the Partnership in any jurisdiction where limitation of liability may not be recognized, the General Partner will cause the Partnership to operate in such a manner as the General Partner, on the advice of counsel, deems appropriate. Each Limited Partner will indemnify and hold harmless from the Partnership, the General Partner and each other Limited Partner from and against all losses, liabilities, expenses and damages suffered or incurred by the Partnership, the General Partner or the other Limited Partners by reason of misrepresentation or breach of any of the warranties or covenants of such Limited Partner as set out in the Partnership Agreement.

Liability of General Partner and Indemnification of Limited Partners

The General Partner has agreed to indemnify and hold harmless each Limited Partner from any and all losses, liabilities, expenses and damages suffered by such Limited Partner where the liability of such Limited Partner is not limited, provided that such loss of limited liability was caused by an act or omission of the General Partner or by the negligence or wilful misconduct in the performance of, or wilful disregard or breach of, the obligations or duties of the General Partner under the Partnership Agreement. See “Limited Liability of Limited Partners”. Such indemnity will apply only with respect to losses in excess of the capital contribution of the Limited Partner. The General Partner has also agreed to indemnify and hold harmless the Partnership and each Limited Partner from and against any costs, damages, liabilities, expenses or losses suffered or incurred by the Partnership and/or the Limited Partner, as the case may be, resulting from or arising out of negligence or wilful misconduct in the performance of, or wilful disregard or breach of, the obligations or duties of the General Partner under the

Partnership Agreement. The General Partner currently has and will have minimal financial resources or assets and, accordingly, such indemnities of the General Partner will have only nominal value.

The General Partner has unlimited liability for the debts, liabilities and obligations of the Partnership. The General Partner will not be liable to the Limited Partners for any mistakes or errors in judgment, or for any act or omission believed by it in good faith to be within the scope of the authority conferred upon it by the Partnership Agreement (other than an act or omission which is in contravention of the Partnership Agreement or which results from or arises out of the General Partner's negligence or wilful misconduct in the performance of, or wilful disregard or breach of, a material obligation or duty of the General Partner under the Partnership Agreement) or for any loss or damage to any of the property of the Partnership attributable to an event beyond the control of the General Partner or its affiliates.

In any action, suit or other proceeding commenced by a Limited Partner against the General Partner, other than a claim for indemnity pursuant to the Partnership Agreement, the Partnership shall bear the reasonable expenses of the General Partner in any such action, suit or other proceedings in which or in relation to which the General Partner is adjudged, not to be in breach of any duty or responsibility imposed upon it hereunder, otherwise, such costs will be borne by the General Partner.

Dissolution

Unless dissolved earlier upon the occurrence of certain events stated in the Partnership Agreement or continued after December 31, 2012 with the approval of Limited Partners given by Extraordinary Resolution, the Partnership will continue until the Termination Date and thereupon will terminate and the net assets of the Partnership will be distributed to the Limited Partners and the General Partner unless a Liquidity Event is implemented. Prior to the Termination Date, or such other termination date as may be agreed upon the General Partner will, in its discretion, take steps to convert all or any part of the assets of the Partnership to cash or freely trading securities and the net assets will be distributed *pro rata* to the partners. The General Partner may, in its sole discretion and upon not less than 30 days' prior written notice to the Limited Partners, extend the date for the termination of the Partnership to a date not later than three months after the Termination Date if the General Partner has been unable to convert all of the Partnership's assets to cash or freely trading securities and the General Partner determines that it would be in the best interests of the Limited Partners to do so. Should the liquidation of certain assets not be possible or should the General Partner consider such liquidation not to be appropriate prior to the Termination Date, such assets will be distributed to partners *in specie*, on a *pro rata* basis, subject to all necessary regulatory approvals and thereafter such property will, if necessary, be partitioned. See "Risk Factors".

Power of Attorney

The Partnership Agreement includes a power of attorney coupled with an interest, the effect of which is to constitute it an irrevocable power of attorney. This power of attorney authorizes the General Partner on behalf of the Limited Partners, among other things, to execute the Partnership Agreement, any amendments to the Partnership Agreement, and all instruments necessary to address defaults in payment of the Second Instalment, to reflect the dissolution of the Partnership and distribution and partition of assets distributed to partners on dissolution, as well as any elections, determinations or designations under the Tax Act or taxation legislation of any province or territory with respect to the affairs of the Partnership or a Limited Partner's interest in the Partnership, including elections under subsections 85(2) and 98(3) of the Tax Act and the corresponding provisions of applicable provincial and territorial legislation in respect of the dissolution of the Partnership. **By subscribing for Units, each Subscriber acknowledges and agrees that he or she has given such power of attorney and will ratify any and all actions taken by the General Partner pursuant to such power of attorney.**

Amendments

The General Partner may, without prior notice to or consent from any Limited Partners, amend the Partnership Agreement from time to time if such amendment is to add any provision which, in the opinion of counsel to the Partnership, is for the protection and benefit of the Limited Partners, is required to cure any manifest error or ambiguity or to correct or supplement any provision in the Partnership Agreement that may be defective or inconsistent with another provision, or is required by law. Such amendments may only be made if they will not, in the opinion of the General Partner, materially adversely affect the rights of any Limited Partner. The General Partner will notify the Limited Partners of the full details of any amendment so made within 30 days after the effective date of the amendment.

The General Partner may, with the consent of the Limited Partners given by Extraordinary Resolution, amend the Partnership Agreement provided that no amendment may be made that would have the effect of: allowing any Limited Partner to participate in the control or management of the Partnership's business; reducing, eliminating, amending or modifying the obligation of the Partnership to pay the General Partner's Fee and the Performance Bonus to the General Partner or from the obligation to cause the Subsidiary Companies to grant the General Partner's Share to the General Partner; changing provisions concerning the General Partner's costs and expenses (unless the General Partner, in its sole discretion, consents thereto); reducing the interest in the Partnership of any Limited Partner; changing in any manner the allocation of net income or net loss and taxable income between the Limited Partners and the General Partner or the allocation of Eligible Expenditures among Limited Partners; changing the liability of the Limited Partners or the General Partner; changing the right of a Limited Partner or the General Partner to vote at any meeting; changing the Partnership from a limited partnership to a general partnership (unless all of the Limited Partners consent thereto); or which would result in a denial or reduction of any income tax deductions or credits related to Flow-Through Shares (e.g., by rendering them "prescribed shares" or "prescribed rights" under the regulations to the Tax Act) or otherwise available to Limited Partners, but for the amendment. The Investment Strategy and Investment Guidelines adopted by the Partnership may only be changed by Extraordinary Resolution duly passed by the Limited Partners.

Accounting and Reporting

The Partnership's fiscal year will be the calendar year. The General Partner, on behalf of the Partnership, will file and deliver to each Limited Partner, as applicable, such financial statements (including interim unaudited and annual audited financial statements) and other reports as are from time to time required by applicable law. The annual financial statements of the Partnership shall be audited by the Partnership's auditors in accordance with Canadian generally accepted auditing standards. The auditors will be asked to report on the fair presentation of the annual financial statements in accordance with Canadian generally accepted accounting principles (or, beginning on January 1, 2011, the International Financial Reporting Standards). The General Partner, on behalf of the Partnership, may seek exemptions from certain continuous disclosure obligations under applicable securities laws.

The General Partner will forward, or cause to be forwarded, to each Limited Partner, either directly or indirectly through CDS, the information necessary for the Limited Partner to complete such Limited Partner's Canadian federal and provincial income tax returns with respect to Partnership matters for the preceding year. The General Partner will make all filings required with respect to tax shelters by the Tax Act.

The General Partner will ensure that the Partnership complies with all other reporting and administrative requirements.

The General Partner is required to keep adequate books and records reflecting the activities of the Partnership in accordance with normal business practices and Canadian generally accepted accounting principles. The *Partnership Act* (British Columbia) provides that any person may, on demand, examine the register of limited partners. A Limited Partner has the right to examine the books and records of the Partnership at all reasonable times. Notwithstanding the foregoing, a Limited Partner will not have access to any information which in the opinion of the General Partner should be kept confidential in the interests of the Partnership and which is not required to be disclosed by applicable securities laws or other laws governing the Partnership.

Meetings and Voting

The Partnership will not be required to hold annual general meetings, but the General Partner may at any time convene a meeting of the Limited Partners and will be required to convene those meetings that are required to be held. The General Partner will also be required to convene a meeting upon receipt of a request in writing of Limited Partners holding, in aggregate, 10% or more of the Units outstanding.

Each Limited Partner is entitled to one vote for each Unit held. The General Partner is entitled to one vote in its capacity as General Partner except on a motion to remove the General Partner. Notice of not less than 21 days or more than 60 days is required to be given for each meeting. All meetings of Limited Partners are to be held in British Columbia. A Limited Partner may attend a meeting of the Partnership in person or by proxy or, in the case of a Limited Partner which is a corporation, by a representative. A quorum will consist of one or more Limited Partners present in person or by proxy and representing not less than 5% of the Units then outstanding at a meeting called to consider an Ordinary Resolution and 20% of the Units then outstanding at a meeting called to consider an Extraordinary Resolution. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a written request of Limited Partners, will be cancelled, but otherwise will be adjourned to such date not less than ten and not more than 21 days after the original meeting date. At such adjourned meeting, those Limited Partners present in person or by proxy will constitute a quorum.

USE OF PROCEEDS

The Gross Proceeds of the Offering will be \$40,000,000 if the maximum Offering is completed, and \$3,000,000 if the minimum Offering is completed. The Partnership will use the Available Funds to invest in Flow-Through Shares of Subsidiary Companies. The Operating Reserve will be used to fund the ongoing operating and management fees and expenses of the Partnership.

The following table sets out the Gross Proceeds of the Offering, the Agents' Fees, the estimated expenses and the Available Funds of the maximum and minimum Offering:

	Maximum Offering⁽¹⁾	Minimum Offering⁽¹⁾
Gross Proceeds to the Partnership:	\$40,000,000	\$3,000,000
Total First Instalments	\$10,000,000	\$750,000
Agents' fees	\$2,900,000	\$217,500
Offering expenses ⁽²⁾	\$640,000	\$157,500
Operating Reserve	\$690,000	\$90,000
Geological and Engineering Expense Reimbursement	\$800,000	\$60,000
Initial Net Proceeds available for investment	\$4,970,000	\$225,000
Total Second Instalments and proceeds from Units sales in 2009 ⁽³⁾	\$30,000,000	\$2,250,000
Operating Reserve	Nil	Nil
Subsequent Net Proceeds available for investment	\$30,000,000	\$2,250,000
Total Available Funds	\$34,970,000	\$2,475,000

⁽¹⁾ Assumes all Units are sold prior to December 31, 2008, and all purchasers elect to pay in instalments.

⁽²⁾ The Offering expenses (including the costs of creating and organizing the Partnership and the Subsidiary Companies, the costs of printing and preparing the prospectus, legal expenses of the Offering, marketing expenses and legal and other reasonable out-of-pocket expenses incurred by the Agents and other incidental expenses) in the case of the minimum Offering are expected to be \$172,500. However, in the event Offering expenses exceed 5.25% of the Gross Proceeds (or \$157,500 in the case of the minimum Offering), the General Partner will be responsible for the shortfall.

⁽³⁾ Assuming that the Second Instalment is paid in full for each Unit sold in 2008 pursuant to the Offering.

The First Instalments from the issue of the Units purchased in 2008 will be paid to the Partnership at Closing and deposited in its bank account and managed on behalf of the Partnership by the General Partner. Pending the investment of Available Funds in Flow-Through Shares of Subsidiary Companies, all such Available Funds will be invested in High Quality Money Market Instruments. Interest earned by the Partnership from time to time on Available Funds will accrue to the benefit of the Partnership.

Initial Net Proceeds received in 2008 that have not been invested in Flow-Through Shares of Subsidiary Companies by December 31, 2008, will be returned on a *pro rata* basis to Limited Partners of record as at December 31, 2008, without interest or deduction. Initial Net Proceeds received in 2009 and any Subsequent Net Proceeds that have not been invested in Flow-Through Shares of Subsidiary Companies by December 31, 2009 will be returned on a *pro rata* basis to Limited Partners of record as at December 31, 2009, without interest or deduction.

The Agents will hold the First Instalments received in 2008 and the Subscription proceeds received for Units purchased in 2009 from Subscribers prior to the Closing until subscriptions for the minimum Offering are received and other Closing conditions of the Offering have been satisfied. If the minimum Offering is not subscribed for within 90 days from the date of the issuance of the receipt for the final prospectus, this Offering may not continue and subscription proceeds received will be returned, without interest or deduction, to the Subscribers within 15 days.

PLAN OF DISTRIBUTION

The Offering

Pursuant to the Agency Agreement, the Agents have agreed to offer Units for sale to the public in each of the provinces of Canada, other than Quebec, on an agency basis if, as and when issued by the Partnership. The Partnership will pay to the Agents the Agents' fees equal to 7.25% of the Subscription Price for each Unit sold to a Subscriber under the Offering (which amount will be paid out of the First Instalments and will not be dependent upon receipt by the Partnership of the Second Instalments), and reimburse the Agents for reasonable expenses in connection with the Offering.

The Offering consists of a maximum Offering of 400,000 Units and a minimum Offering of 30,000 Units. The minimum purchase is 50 Units. Additional subscriptions may be made in single Unit multiples of \$100.00. The price to the public per Unit was established by the General Partner.

While the Agents have agreed to use their reasonable commercial efforts to sell the Units, they are not obliged to purchase any Units that are not sold. The obligations of the Agents under the Agency Agreement may be terminated, and the Agents may withdraw all subscriptions on behalf of Subscribers, at the Agents' discretion, on the basis of their assessment of the state of the financial markets or upon the occurrence of certain stated events. Pursuant to the Agency Agreement, the Promoters, the Partnership and the General Partner have agreed to jointly and severally indemnify the Agents upon the occurrence of certain events.

The Offering will take place during the period commencing on the date a receipt is issued for the preliminary prospectus by the British Columbia Securities Commission and ending at the close of business on the date of the final Closing. It is expected that the initial Closing Date will be on or about December 30, 2008. Subscription proceeds received by the Agents will be held by the Agents until the Closing Date. If subscriptions for the minimum Offering are not obtained within 90 days from the date of the issuance of the receipt for the final prospectus, this Offering may not continue and subscription funds will be returned, without interest or deduction, to the Subscribers. If the maximum Offering is not achieved at the initial Closing Date, subsequent Closings may be completed on or before March 15, 2009.

The General Partner, on behalf of the Partnership, reserves the right to accept or reject any subscription in whole or in part and to reject all subscriptions. If a subscription is rejected or accepted in part, unused monies received will be returned to the Subscriber. If all subscriptions are rejected, subscription proceeds will be returned to the Subscribers. A Subscriber whose subscription for Units has been accepted by the General Partner will become a Limited Partner upon the entering of his or her name in the register of Limited Partners on or as soon as possible after the relevant Closing.

This Offering will close if: (a) all contracts described under “Material Contracts” have been executed and delivered to the Partnership and are valid and subsisting; (b) all conditions specified in the Agency Agreement for the closing have been satisfied or waived, and the Agents have not exercised any right to terminate the Offering; and (c) on the date of the initial Closing of the Offering, subscriptions for at least 30,000 Units are accepted by the General Partner.

As of the date of this prospectus, the Partnership does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not currently intend to apply to list or quote any of its securities on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Book Based System

Subscriptions will be received subject to acceptance or rejection in whole or in part and the right is reserved to close the Offering at any time without notice. Registration of interests in fully-paid Units and transfers of the Units will be made only through the book-based system administered by CDS.

Upon due payment of the Second Instalment pursuant to the Partnership Agreement, a holder will become a holder of fully-paid Units and such Units will be reflected in a new book-based certificate issued to CDS as soon as possible thereafter.

Units must be purchased and/or transferred through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation. References in this prospectus to unitholders or a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest in such Units.

The ability of a beneficial owner or an owner of Units to pledge such Units or otherwise take action with respect to such owner’s interest in such Units (other than through a CDS participant) may be limited due to the lack of a physical certificate.

RISK FACTORS

This is a speculative offering. There is no market through which the Units may be sold and Subscribers may not be able to resell Units purchased under this prospectus. An investment in the Units is appropriate only for Subscribers who have the capacity to absorb a loss of some or all of their investment. There is no assurance of a positive return on a Limited Partner’s original investment.

This is a blind pool offering. As of the date of this prospectus, the Partnership has not identified any Joint Ventures in respect of which Subsidiary Companies will invest.

In addition, the purchase of Units involves significant risks, including, but not limited to, the following:

Investment Risk

Reliance on the General Partner. Limited Partners must rely entirely on the discretion of the General Partner with respect to the selection of the composition of the portfolio of Joint Ventures and Programs of the Subsidiary Companies, in negotiating the terms, including pricing, of the Joint Ventures and in negotiating Offers.

No Prior Flow-Through Partnership Experience. The General Partner has no prior experience in managing a flow-through limited partnership.

Marketability of Units. There is no market through which the Units may be sold and Subscribers may not be able to resell Units purchased under this prospectus. No market for the Units is expected to develop. All transfers are subject to the approval of the General Partner and the Units are non-transferable by a holder until the Second Instalment has been paid in full.

Default on Investment. In addition to the various methods of recourse available to the Partnership against the holders described under “Summary of the Partnership Agreement – Liability for Unpaid Instalment”, if the Units purchased by a defaulting holder cannot be or are not transferred to another person with the result that the Units will be forfeited and cancelled, the Partnership will have less proceeds available for investment than it had anticipated. The effects of such a shortfall of proceeds available for investment may limit the Partnership’s ability to execute its investment strategy and meet its investment objective.

Sector Risks

The business activities of Oil & Gas Cos and the Subsidiary Companies are speculative and may be adversely affected by factors outside the control of those issuers. Oil & Gas Cos and Subsidiary Companies may not hold or discover commercial quantities of oil or natural gas and their profitability may be affected by adverse fluctuations in commodity prices, exchange rates, demand for commodities, general economic conditions and cycles, unanticipated depletion of reserves or resources, native land claims, liability for environmental damage, competition, imposition of tariffs, duties or other tax and government regulation, as applicable.

There are certain risks inherent in oil and natural gas exploration and production operations which could expose the Partnership and/or the Subsidiary Companies to claims resulting from injury to, or death of, persons or damage to property of third parties. To the extent that any claims resulting from the activities of the Partnership and/or the Subsidiary Companies exceed the net assets of the Partnership and/or the Subsidiary Companies and the limits of insurance, or are not covered by insurance, it is possible that investors may not receive any return or repayment of their investment in the Partnership.

Other risks inherent in the oil and natural gas industry to which all entities, including the Partnership and the Subsidiary Companies, are exposed include the risk of inability to sell the oil and natural gas in a timely manner, the risk of default on all or a portion of accounts receivable from the sale of the oil and/or natural gas, possible labour and equipment shortages, the risk of increases in the cost of drilling or production, management errors, water or waste disposal costs and logistics or problems and the risk of natural or man-made disasters or situations including, but not limited to, flood, fire and catastrophic weather. As a result of the foregoing, and other situations or problems which cannot be presently predicted, it is possible investors may not receive any return on, or of, their investment.

The Partnership and Subsidiary Companies. There is no assurance as to the profitability of any one or more of the Subsidiary Companies, and hence the Partnership. There is no assurance that commercial quantities of oil and/or natural gas will be discovered by any Joint Venture entered into by a Subsidiary Company. Each Subsidiary Company will, depending on its individual opportunities and funds, invest with different Oil & Gas Cos in different Joint Ventures. As a result, the terms of each Joint Venture Agreement, the success of the various Programs and any Offer are likely to be significantly different for each Subsidiary Company. An investor has no control over how the General Partner allocates the purchase of Flow-Through Shares in the various Subsidiary Companies, what Programs and with which Oil & Gas Cos the Subsidiary Company enter into a Joint Venture. It is likely that returns or success may occur to significantly different degrees in the different Subsidiary Companies.

The effect of the above cannot be accurately predicted but may be material to the return on an investor's investment.

Possible Need for Additional Funds. The only sources of cash available to pay the fees and expenses of the Partnership will be the Operating Reserve and Gross Over-Riding Royalty payments. If the Operating Reserve is expended and revenues from Gross Over-Riding Royalty payments are not sufficient to fund ongoing fees and expenses, payment of such fees and expenses will diminish the interest of Limited Partners in the Investment Portfolio.

Return on Investment. There is no assurance that sufficient net profits or cash flow, will be generated from which investors will earn any return on, or repayment of, their capital contributions to the Partnership or their investment in Units.

Status of Joint Venture and Program. Each of the Subsidiary Companies intend to enter into Joint Ventures with Oil & Gas Cos. Investors will not be provided with specific data on the Joint Venture which will provide the principal source of each Subsidiary Company's income.

Dependence on Oil & Gas Cos. The Partnership anticipates that income will be generated by the Subsidiary Companies. Such income will be dependent on Oil & Gas Cos' ability to select, effectively manage and develop drilling sites. To the extent that Oil & Gas Cos do not perform their obligations, the value achieved by a Subsidiary Company, and hence the Partnership, could be significantly reduced. In addition, the amount of, and time of, Distributions, redemptions and/or an Offer from an Oil & Gas Co may be curtailed or delayed as a result of delays in a Subsidiary Company receiving payments under the Joint Venture. In addition, there can be no assurance that Oil & Gas Cos will make Offers as contemplated by the Joint Venture Agreements, or if they do, that any such transactions will ultimately be completed or that the Offers will be on terms acceptable to the General Partner.

Program Evaluations. Investors will be relying on assessments made by the General Partner in deciding what Programs to enter into. Such decisions will be based on a series of assumptions, many of which will be subject to change and will be beyond the control of the General Partner. Success of the Programs will affect the return on, and the value of, the Units. No assurance can be given that the Joint Ventures will, when entered into, produce or continue to produce in the quantities forecast, or be of the quality forecast in any engineering reports relating to such properties.

Title. Reviews of the titles to the properties which will be explored and/or developed by the Joint Ventures in accordance with industry standards may not preclude the possibility that an unforeseen title defect or other resource ownership dispute will arise to adversely affect or defeat the claim of the Joint Venture to such property.

Exploration and Production. The Available Funds will be expended on oil and natural gas drilling with a view to exploration and production activities, which are high-risk ventures with uncertain prospects for success. Neither the Partnership nor any of the Subsidiary Companies, own any oil and natural gas interests nor have they identified any oil and natural gas participation or acquisition prospects. Moreover, if the General Partner identifies oil and natural gas participation or acquisition prospects, the General Partner may not be able to successfully conclude such participation or acquisitions on economic terms. Further, neither the Partnership nor any of the Subsidiary Companies have earnings to support them should the wells drilled or properties acquired prove not to be profitably productive. No assurance can be given that commercial accumulations of oil and natural gas will be discovered as a result of the efforts of Oil & Gas Cos undertaking the Program(s) as part of the anticipated Joint Venture Agreement(s). If a Subsidiary Company acquires interests in oil and natural gas participation prospects, actual costs, reserves, production and potential value may vary significantly from what was anticipated. If all Available Funds are spent by a Subsidiary Company without making petroleum or natural gas discoveries in commercial quantities, the Subsidiary Company will have no value, and will cease operation, without any return of investment to investors. There is no assurance as to the success of any of the Subsidiary Companies.

Operating Hazards. The operations to be conducted by the Subsidiary Companies under their anticipated Joint Venture Agreements and with other industry partners will be subject to all of the operating risks normally attendant upon development, drilling and production of oil and natural gas, such as blowouts and pollution. The Joint Venture Agreements will require that the Oil & Gas Cos who will be the operators of the properties explored by the Joint Ventures acquire insurance in accordance with standard industry practice, but there is no assurance that such insurance will be available or adequate.

Industry Conditions and Competition. The oil and natural gas industry is highly competitive and the Partnership, the Subsidiary Companies and Oil & Gas Cos must compete with many companies, many of whom have far greater financial strength, experience and technical resources. Generally, there is intense competition for the acquisition of resource properties considered to have commercial potential as well as for drilling rigs necessary to exploit such properties. If Oil & Gas Cos are unable to obtain such rigs, the Programs may be delayed and one or more of the Subsidiary Companies may be unable to incur and renounce in favour of the Limited Partners all of the Eligible Expenditures as anticipated.

Prices paid for both oil and natural gas produced are subject to significant market fluctuations and will directly affect the profitability of producing any oil or natural gas reserves which may be developed by a Joint Venture. There is no assurance that any of the Subsidiary Companies in particular, will prove to be profitable or viable over the short or long term.

Regulatory Environment. Oil and natural gas operations, including lease acquisitions, are subject to extensive government regulation. Operations may be affected from time to time in varying degrees by political and environmental developments, such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls and changes in conditions under which oil and natural gas may be exported.

Adherence to Investment Guidelines. In assessing the risks and rewards of an investment in Units, potential investors should appreciate that they are relying solely on the good faith, judgment and ability of the General Partner to make appropriate decisions with respect to the nature of the Joint Venture Agreements and the Oil & Gas Cos and Programs selected. Certain terms of the Investment Guidelines are future oriented and require the General Partner to direct investments by the Subsidiary Companies based upon the General Partner's assessment of the likelihood of a Joint Venture or an Oil & Gas Co continuing to meet these Investment Guidelines in the future. There can be no assurance that these future oriented terms of the Investment Guidelines will ultimately be met by the Joint Ventures which the Subsidiary Companies will enter into or the Oil & Gas Cos with which Subsidiary Companies will enter into Joint Venture Agreements.

While the General Partner will assess each Program in its entirety against the Investment Guidelines, there can be no assurance that each well in a particular Program will meet all of the terms of the Investment Guidelines. The General Partner may determine that such a Program is acceptable to a Subsidiary Company because of its overall matching to the Investment Guidelines and its prudent balance of risk and potential for economic reward.

Multi-Zone Completion. In attempting to mitigate the economic risk associated with any Program, the General Partner will give preference to Programs that offer Multi-Zone Completion opportunities. While this strategy provides the best opportunity for an economic return from a Program, it may also increase the risk that, if the Program is intended to incur CEE and there is production from only a secondary target or zone, the Eligible Expenditures incurred for that well may be classified as CDE and not CEE. Any classification of Eligible Expenditures as CDE, that were intended to be CEE, would adversely alter the timing of available tax deductions to an investor and may require an investor to refile previously filed income tax returns.

Borrowing by a Subsidiary Company. In certain circumstances the Partnership or a Subsidiary Company may borrow funds from a financial institution to fund capital costs related to successful wells in a Program, for the financing of any land leases acquired by a Subsidiary Company, or the funding of the drilling of Additional Wells, and any related incidental seismic or land acquisition costs. See "The Partnership – Investment Objectives and Strategy" and "Investment Restrictions". There is a risk that the Partnership or the Subsidiary Company may not be able to borrow funds, or may not be able to borrow sufficient funds from a financial institution to meet the obligations under a Joint Venture Agreement and hence may, in the case of Additional Wells, lose some or all of the economic opportunity from not being able to participate in any Additional Well drilling that is, or becomes part

of, a Program. There is also the risk that any Additional Well drilling undertaken by a Joint Venture will be uneconomic or a dry hole, and hence any debt incurred would have to be repaid from other cash flow or assets of the Subsidiary Company or the Partnership.

Resale Restrictions May be an Issue if a Liquidity Event is not Implemented and Approval is not Sought or Received for the Continued Operation of the Partnership. There are no assurances that any Liquidity Event will be proposed, receive the necessary approvals (including regulatory approvals) or be implemented. In such circumstances, unless the Limited Partners approve an Extraordinary Resolution to continue the Partnership's operations, each Limited Partner's *pro rata* interest in the assets of the Partnership will be distributed upon the dissolution of the Partnership, which is expected to occur on or about December 31, 2012.

For example, if no Liquidity Event is completed and the General Partner is unable to dispose of all assets in exchange for cash or freely trading securities prior to the Termination Date, Limited Partners may receive securities or other interests of Oil & Gas Cos or Subsidiary Companies, for which there may be an illiquid market or which may be subject to resale and other restrictions under applicable securities law.

There can also be no assurance that a Mutual Fund will be established to participate in any Liquidity Event. There can be no assurance that any Liquidity Event will be implemented on a tax-deferred basis.

Mutual Fund Shares. In the event that a Liquidity Event is proposed, accepted and completed, Limited Partners may receive shares in a Mutual Fund. These shares will be subject to various risk factors applicable to shares of mutual fund corporations or other investment vehicles which invest in securities of Canadian companies engaged in the oil and natural gas industry and mineral exploration and production. These risks are similar to the risks described under "Industry Risks – Sector Specific Risks".

SIFT Partnership Risk. In the event that the General Partner obtains a Stock Exchange Listing of the Units in connection with a Liquidity Event, the Partnership will be considered a "SIFT partnership" as defined in the Tax Act. This may effect the level of Distributable Cash available for distributions to Unitholders.

Flow-Through Shares and Available Funds. Although the General Partner has agreed to use its commercially reasonable efforts, there can be no assurance that the General Partner, on behalf of the Partnership, will be able to invest in Flow-Through Shares of Subsidiary Companies sufficient to permit the Partnership to commit all Available Funds to purchase Flow-Through Shares by December 31, 2008 (in the case of Initial Net Proceeds received in 2008) or by December 31, 2009 (in the case of any Initial Net Proceeds received in 2009 and the Subsequent Net Proceeds) and, therefore, the possibility exists that capital may be returned to Limited Partners and Limited Partners may be unable to claim anticipated deductions or credits in respect of income for income tax purposes.

There can be no assurance that Subsidiary Companies will honour their obligation to incur and renounce Eligible Expenditures or that the Partnership will be able to recover any losses suffered as a result of such a breach of such obligation.

Available Capital. If the proceeds of the Offering of Units are significantly less than the maximum Offering, the expenses of the Offering and the ongoing fees and administrative expenses and interest expense payable by the Partnership may result in a substantial reduction or even elimination of the returns which would otherwise be available to the Partnership.

The ability of the General Partner to negotiate favourable Joint Venture Agreements on behalf of the Partnership is, in part, influenced by the total amount of capital available for investment. Accordingly, if the proceeds of the Offering are significantly less than the maximum Offering, the ability of the General Partner to negotiate and enter into favourable Joint Venture Agreements on behalf of the Partnership may be impaired and therefore the Investment Strategy of the Partnership may not be fully met.

Liability of Limited Partners. Limited Partners may lose their limited liability in certain circumstances, including by taking part in the control or management of the business of the Partnership. The principles of law in the various jurisdictions of Canada recognizing the limited liability of the limited partners of limited partnerships subsisting under the laws of one province or territory but carrying on business in another province or territory have not been authoritatively established. If limited liability is lost, there is a risk that Limited Partners may be liable beyond their contribution of capital and share of undistributed net income of the Partnership in the event of judgment on a claim in an amount exceeding the sum of the net assets of the General Partner and the net assets of the Partnership. While the General Partner has agreed to indemnify the Limited Partners in certain circumstances, the General Partner has only nominal assets, and it is unlikely that the General Partner will have sufficient assets to satisfy any claims pursuant to such indemnity.

Limited Partners remain liable to return to the Partnership such part of any amount distributed to them as may be necessary to restore the capital of the Partnership to the amount existing before such distribution if, as a result of any such distribution, the capital of the Partnership is reduced and the Partnership is unable to pay its debts as they become due. In addition, Limited Partners remain liable to the Partnership and third parties in respect of any Second Instalment amounts not yet paid.

Tax-Related Risks. The tax benefits resulting from an investment in the Partnership are greatest for a Subscriber whose income is subject to the highest marginal income tax rate. Regardless of any tax benefits that may be obtained, a decision to purchase Units should be based primarily on an appraisal of the merits of the investment and on a Subscriber's ability to bear a loss of his or her investment. Subscribers acquiring Units with a view to obtaining tax advantages should obtain independent tax advice from a tax advisor who is knowledgeable in the area of income tax law.

The tax consequences of acquiring, holding or disposing of Units or the Flow-Through Shares issued to the Partnership may be fundamentally altered by changes in federal or provincial income tax legislation. The October 31, 2003 Tax Proposals limiting the claim for losses resulting from the deduction of interest and other expenses in certain circumstances are only draft proposals. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace the October 31, 2003 Tax Proposals would be released for comment at an early opportunity. No such alternative proposal has yet been released. There can be no assurance that such alternative proposal will not adversely affect the Partnership or Limited Partners. All of the Available Funds may not be invested in Flow-Through Shares or amounts renounced by Subsidiary Companies to the Partnership may not qualify as Eligible Expenditures. Each Limited Partner will represent that he or she has not acquired Units with limited-recourse borrowing (except the Second Instalment) for the purposes of the Tax Act, however there is no assurance that this will not occur.

There is a further risk that expenditures incurred by a Resource Company may not qualify as Eligible Expenditures or that Eligible Expenditures incurred will be reduced by other events including failure to comply with the provisions of Investment Agreements or of applicable income tax legislation. There is no guarantee that Subsidiary Companies will comply with the provisions of the Investment Agreement, or with the provisions of applicable income tax legislation with respect to the nature of expenses renounced to the Partnership. The Partnership may also fail to comply with applicable legislation. There is no assurance that Subsidiary Companies will incur or renounce Eligible Expenditures within the times on or before which it has agreed to use its commercially reasonable efforts to do so. These factors may reduce or eliminate the return on a Limited Partner's investment in the Units.

If CEE or Qualifying CDE renounced within the first three months of 2009 (or 2010, as the case may be) effective December 31, 2008 (or December 31, 2009) is not in fact incurred in 2009 (or 2010), the Partnership's and, consequently, the Limited Partners', CEE or Qualifying CDE may be reassessed by CRA effective as of December 31, 2008 (or December 31, 2009) in order to reduce the Limited Partners' deductions with respect thereto. However, none of the Limited Partners will be charged interest on any unpaid tax as a result of such reduction for any period before May 2010 (or May 2011).

The alternative minimum tax could limit tax benefits available to Limited Partners who are individuals or certain trusts.

Limited Partners will receive the tax benefits associated with Eligible Expenditures in the years in which the Partnership invests in Flow-Through Shares and will benefit to the extent that any gains on the disposition of Flow-Through Shares by the Partnership are capital gains rather than income for tax purposes. However, the sale of Flow-Through Shares by the Partnership will trigger larger tax liabilities in the year any gain is recognized than would be the case upon the sale of common shares that do not constitute Flow-Through Shares because the cost of the Flow-Through Shares is deemed to be nil for purposes of the Tax Act. There is a risk that Limited Partners will receive allocations of income and/or capital gains for a year without receiving distributions from the Partnership in that year sufficient to pay any tax they may owe as a result of being a Limited Partner during that year. To reduce this risk, in respect of each year the Partnership may distribute 50% of the amount that a Limited Partner will be required to include in income in respect of a Unit for that year. See “Summary of the Partnership Agreement - Distributions”.

Where a Resource Company has a “prohibited relationship” as defined in the Tax Act with a Subscriber that is a trust, corporation or partnership, the Resource Company may not renounce Qualifying CDE to such a Subscriber. Briefly, a Resource Company has a prohibited relationship with a trust, a particular corporation or a partnership if the Resource Company or a corporation related to the Resource Company is a beneficiary of the trust, is the corporation or is a member of the partnership. Shares of a Resource Company issued to a Subscriber that does not deal at arm’s length with the Resource Company or to a trust of which such Subscriber is a beneficiary or to a partnership of which such Subscriber is a member may not qualify for renunciation as Flow-Through Shares. Further, a Resource Company may not renounce Eligible Expenditures incurred by it after December 31, 2008 (or December 31, 2009, as the case may be) with an effective date of December 31, 2008 (or December 31, 2009, as the case may be) to a Subscriber with which it does not deal at arm’s length at any time during 2009 (or 2010, as the case may be). **A prospective Subscriber who does not deal at arm’s length with a corporation whose principal business is oil and natural gas exploration and/or production or mineral exploration, development and/or production that may issue flow-through shares, as defined in subsection 66(15) of the Tax Act, prior to December 31, 2008 should consult their independent tax advisor before acquiring Units. Subscribers are required to identify all Subsidiary Companies with which he or she does not deal at arm’s length to the General Partner in writing prior to the acceptance of the subscription. The Partnership will be deemed to not deal at arm’s length with a Resource Company if any of its partners do not deal at arm’s length with such Resource Company.**

The Partnership has engaged the General Partner to perform management services and, consistent with that arrangement, the Partnership intends to deduct management fees payable to the General Partner in computing income in the year in which the services to which they relate are rendered. CRA may assert that an entitlement of the General Partner to management fees is more appropriately treated as an entitlement to share in any income of the Partnership as a partner and, therefore, does not result in a deduction in computing the Partnership’s income. If CRA successfully applied any such treatment then a loss of the Partnership otherwise allocable to the Limited Partners would be reduced or denied to the extent of such deduction.

If a Limited Partner finances the acquisition of Units with a financing (except the Second Instalment) for which recourse is, or is deemed to be, limited, the Eligible Expenditures renounced to, or other expenses incurred by, the Partnership will be reduced by the amount of such financing. The October 31, 2003 Tax Proposals may adversely affect a Limited Partner who finances the subscription price of his or her Units.

Issuer Risk

Lack of Operating History. The Partnership and the General Partner are newly established entities and have no previous operating or investment history. The Partnership will, prior to the Closing Date, have only nominal assets and the General Partner will at all material times thereafter only have nominal assets. Prospective Subscribers who are not willing to rely on the business judgment of the General Partner should not subscribe for Units.

Financial Resources of the General Partner. The General Partner has unlimited liability for the obligations of the Partnership and has agreed to indemnify the Limited Partners against losses, costs or damages suffered if the Limited Partners' liabilities are not limited as provided herein, provided that such loss of liability was caused by an act or omission of the General Partner or by the negligence or wilful misconduct in the performance of, or wilful disregard or breach of, the obligations or duties of the General Partner under the Partnership Agreement. However, such indemnity will apply only with respect to losses in excess of the agreed capital contribution of the Limited Partner and the amount of this protection is limited by the extent of the net assets of the General Partner and such assets will not be sufficient to fully cover any actual loss. The General Partner is expected to have only nominal assets and, therefore, the indemnity of the General Partner will have nominal value. Limited Partners also will not be able to rely upon the General Partner to provide any additional capital or loans to the Partnership in the event of any contingency.

Financial Resources of the Partnership. The only sources of cash to pay the Partnership's current and future expenses, liabilities and commitments, including reimbursement of operating and administrative costs incurred by the General Partner and the General Partner's Fee, will be the Operating Reserve. Accordingly, if the Operating Reserve has been expended, the maximum amount of funds has been borrowed by the Partnership and there are no trading profits in the Partnership's Investment Portfolio, payment of operating and administrative costs and the General Partner's Fee will diminish the Partnership's assets.

Conflicts of Interest. The Promoters, the General Partner, certain of their affiliates, certain limited partnerships whose general partner is or will be a subsidiary of the Promoters, and the directors and officers of the Promoters and the General Partner, are and/or may in the future be actively engaged in a wide range of investment and management activities, some of which are or will be similar to and in competition with the business of the Partnership and the General Partner, including acting in the future as directors and officers of the general partners of other issuers engaged in the same business as the Partnership. See "Conflicts of Interest". Accordingly, conflicts of interest may arise between Limited Partners and the directors, shareholders, officers, employees and any affiliates of the General Partner and the Promoters. Neither the General Partner, the Promoters nor any Related Entities are obligated to present any particular investment opportunity to the Partnership, and Related Entities may take such opportunities for their own account.

There are no assurances that conflicts of interest will not arise which cannot be resolved in a manner most favourable to Limited Partners. Persons considering a purchase of Units pursuant to this Offering must rely on the judgement and good faith of the shareholders, directors, officers and employees of the General Partner and the Promoters in resolving such conflicts of interest as may arise.

There is no obligation on the General Partner or the Promoters or their respective employees, officers and directors and shareholders to account for any profits made from other businesses that are competitive with the business of the Partnership.

Lack of Separate Counsel. Counsel for the Partnership in connection with this Offering are also counsel to the General Partner. Prospective Subscribers, as a group, have not been represented by separate counsel and counsel for the Partnership, the General Partner and the Agents do not purport to have acted for the Subscribers or to have conducted any investigation or review on their behalf.

Concentration Risk. Because the Partnership will invest in securities issued by Subsidiary Companies engaged in the oil and natural gas business, the value of the Partnership's portfolio may be more volatile than portfolios with a more diversified investment focus. Also, the value of the Partnership's portfolio of assets may fluctuate with underlying market prices for commodities produced by that sector of the economy.

CONFLICTS OF INTEREST

The General Partner will be entitled to receive certain fees from the Partnership and the General Partner will be reimbursed for certain of its expenses by the Partnership. In addition, Brickburn is entitled to the Geological and Engineering Expense Reimbursement. See “Fees, Charges and Expenses Payable by the Partnership”.

None of the Promoters, the General Partner or any of their respective Affiliates and Associates will be paid a fee by the Partnership in respect of investment opportunities they bring to the Partnership.

The Promoters, the General Partner, certain of their affiliates, certain limited partnerships whose general partner and/or investment advisor is or will be a subsidiary of the Promoters or an affiliate of the General Partner, and the directors and officers of the Promoters and the General Partner are and/or may in the future be actively engaged in a wide range of investment and management activities, some of which are and will be similar to and competitive with those that the Partnership and the General Partner will undertake. As a result, actual and potential conflicts of interest (including conflicts as to management’s time, resources and allocation of investment opportunities) can be expected to arise in the normal course. However, each of the General Partner and the Promoters have agreed that for so long as Available Funds remain uncommitted they will first offer any oil and/or natural gas joint venture participation opportunities which are consistent with the Partnership’s investment objectives, strategy and investment guidelines to the Partnership before presenting them to any other person or undertaking them themselves.

There is no assurance that conflicts of interest will not arise which cannot be resolved in a manner most favourable to Subscribers. There is no obligation on the General Partner or the Promoters or their respective employees, officers and directors and shareholders to account for any profits made from other businesses that are competitive with the business of the Partnership. **Persons considering a purchase of Units pursuant to this Offering are relying on the judgment and good faith of the General Partner and its directors and officers in resolving such conflicts of interest.**

MATERIAL CONTRACTS

The Partnership has entered into, or will enter into on or prior to the Closing Date, the following material contracts:

1. The Partnership Agreement referred to under “Summary of the Partnership Agreement”; and
2. The Agency Agreement referred to under “Plan of Distribution”.

Copies of the contracts referred to above (or drafts thereof) may be inspected during normal business hours over the course of the Offering at the registered office of the General Partner, 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2.

PROMOTERS

Each of GORR Holdings Corp., Brickburn Asset Management Inc. and CADO Bancorp Ltd. may be considered to be the promoters of the Partnership within the meaning of relevant Canadian securities legislation. Each of them has an indirect interest in the General Partner’s Fee, the Performance Bonus and the General Partner’s Share paid or to be paid to the General Partner, and Brickburn has an interest in the Geological and Engineering Expense Reimbursement. See “Interest of Management in Material Transactions” and “Fees, Charges and Expenses Payable by the Partnership”.

LEGAL MATTERS

Neither the General Partner nor the Partnership are currently involved in any litigation or proceedings which are material either individually or in the aggregate to the continued business operations of the General Partner and/or the Partnership and, to each of their knowledge, no legal proceedings of a material nature involving the General Partner and/or the Partnership are currently contemplated by any individuals, entities or government authorities.

INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS

The General Partner is a wholly-owned subsidiary of GORR Holding Corp. All of the directors and officers of the General Partner are also directors and officers of GORR Holding Corp. GORR Holding Corp. is controlled as to 50% by CADO Bancorp Ltd., and as to 50% by Brickburn Asset Management Inc. See “The Promoters”. To the knowledge of the General Partner, except as disclosed herein under “Fees, Charges and Expenses Payable by the Partnership” and “Conflicts of Interest”, no director or officer of the General Partner has any interest in any actual material transaction involving the Partnership, or has any interest in any proposed material transaction involving the Partnership.

AUDITORS

The auditors of the Partnership are Meyers Norris Penny LLP, Chartered Accountants of Nanaimo, British Columbia.

REGISTRAR AND TRANSFER AGENT

The Partnership has appointed Valiant Trust Company, at its principal offices in Vancouver, British Columbia, as the Registrar and Transfer Agent for the Units.

EXPERTS

Certain legal matters arising in connection with the Offering will be passed upon, on behalf of the Partnership, and the General Partner by Borden Ladner Gervais LLP and on behalf of the Agents by Blake, Cassels & Graydon LLP.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt, or deemed receipt, of a prospectus and any amendment. In certain provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to a purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. A purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the prospectus of WCSB Oil & Gas Royalty Income 2008-II Limited Partnership (the Limited Partnership) dated December 15, 2008 relating to the issue and sale of Limited Partnership Units. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report dated December 15, 2008 to the directors of WCSB Oil & Gas Royalty Income 2008-II Management Corp. (the Corporation) in its capacity as general partner of the Limited Partnership on the balance sheet of the Limited Partnership as at December 15, 2008.

(signed) Meyers Norris Penny LLP
Chartered Accountants,

Nanaimo, Canada
December 15, 2008

AUDITORS' REPORT

To the Board of Directors of:

WCSB Oil & Gas Royalty Income 2008-II Management Corp. in its capacity as general partner of WCSB Oil & Gas Royalty Income 2008-II Limited Partnership.

We have audited the balance sheet of WCSB Oil & Gas Royalty Income 2008-II Limited Partnership as at December 15, 2008. This balance sheet is the responsibility of the Limited Partnership's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation.

In our opinion, this balance sheet presents fairly, in all material respects, the financial position of the Limited Partnership as at December 15, 2008 in accordance with Canadian generally accepted accounting principles.

(signed) Meyers Norris Penny LLP
Chartered Accountants,

Nanaimo, Canada
December 15, 2008

**WCSB OIL & GAS ROYALTY INCOME 2008-II LIMITED PARTNERSHIP
BALANCE SHEET**

As at December 15, 2008

ASSETS

Cash\$110

PARTNERS' CAPITAL

General Partner Contribution.....\$ 10
Initial limited partnership unit.....\$100
\$110

See accompanying notes to the balance sheet

Approved on behalf of WCSB Oil & Gas Royalty Income 2008-II Limited Partnership by the Board of Directors of its General Partner, WCSB Oil & Gas Royalty Income 2008-II Management Corp.

(signed) SHANE DOYLE

(signed) WILLIAM D. B. KOENIG

WCSB OIL & GAS ROYALTY INCOME 2008-II LIMITED PARTNERSHIP

NOTES TO BALANCE SHEET

December 15, 2008

1. FORMATION OF PARTNERSHIP

WCSB Oil & Gas Royalty Income 2008-II Limited Partnership (the "Partnership") was formed on October 23, 2008 as a limited partnership under the laws of the Province of British Columbia. The principal purpose of the Partnership is to provide limited partners with a tax-assisted investment in the exploration and production of oil and natural gas by investing in flow-through shares of Subsidiary Companies. There has been no activity in the Limited Partnership between its formation on October 23, 2008 and December 15, 2008 except for the issuance of one initial Limited Partner Unit and a capital contribution by the General Partner. Accordingly, no statement of operations or cash flows for the period has been presented.

The Partnership's authorized capital consists of an unlimited number of Limited Partnership Units and the interests held by the initial Limited Partner and the General Partner.

The general partner of the Partnership is WCSB Oil & Gas Royalty Income 2008-II Management Corp. (the "General Partner") and capital of \$10 cash was contributed. Under the amended and restated Limited Partnership Agreement between the General Partner and each of the limited partners (the "LPA") dated December 15, 2008, 99.9% of net losses of the Partnership will be allocated to the Limited Partners and 0.01% to the General Partner. Until the Limited Partners have received, in total, cumulative distributions equal to 100% of their aggregate capital contributions, they will be allocated 100% of net income of the Partnership. Thereafter, the Limited Partners will be allocated 80% of net income of the Partnership and 20% to the General Partner. Upon dissolution, assets will be distributed on the same basis as net income.

The Partnership will pay all costs relating to the proposed offering of limited partnership units in the Partnership and all ongoing operating and administrative expenses.

Pursuant to the LPA, the Partnership is required to pay the General Partner an annual fee of 2.0% of the Gross Proceeds. In addition, the General Partner is entitled to (a) a 20% share of all distributions of the Partnership once limited partners receive, in total, distributions equal to 100% of their aggregate capital contribution to the Partnership, and (b) a 10% share of the gross overriding royalty payable to the Partnership's subsidiary companies pursuant to joint venture agreements.

At the date of formation of the Partnership, one limited partnership unit was issued to CADO Bancorp Ltd. for \$100 cash.

2. INITIAL PUBLIC OFFERING

The Partnership expects to file a final prospectus in each of the provinces of Canada, other than Quebec, for an initial public offering of limited partnership units with gross proceeds of between \$3,000,000 and \$40,000,000.

CERTIFICATE OF THE PARTNERSHIP AND THE PROMOTERS

Dated: December 15, 2008

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

(signed) Shane Doyle
Chief Executive Officer

(signed) John Dickson
Chief Financial Officer

On behalf of the Board of Directors of the General Partner

(signed) William D.B. Koenig
Director

(signed) William D. Bonner
Director

On behalf of the Promoters

GORR HOLDINGS CORP.

(signed) Shane Doyle
Director

(signed) William D.B. Koenig
Director

CADO BANCORP LTD.

BRICKBURN ASSET MANAGEMENT INC.

(signed) Shane Doyle
Director

(signed) William D. B. Koenig
President

CERTIFICATE OF THE AGENTS

Dated: December 15, 2008

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

CANACCORD CAPITAL CORPORATION

(SIGNED) BINA N. SHETTY

DUNDEE SECURITIES CORPORATION

(SIGNED) ALI A. BHOJANI

HSBC SECURITIES (CANADA) INC.

(SIGNED) BRENT LARKAN

BLACKMONT CAPITAL INC.

(SIGNED) CHARLES A.V. PENNOCK

RAYMOND JAMES LTD.

(SIGNED) J. GRAHAM FELL

MANULIFE SECURITIES
INCORPORATED

(SIGNED) WILLIAM PORTER

M PARTNERS INC.

(SIGNED) TOM KOFMAN

RESEARCH CAPITAL CORPORATION

(SIGNED) DAVID J. KEATING

WELLINGTON WEST CAPITAL
MARKETS INC.

(SIGNED) SCOTT LARIN

ACUMEN CAPITAL
FINANCE PARTNERS
LIMITED

(SIGNED) W. SCOTT
MCGREGOR

INDUSTRIAL ALLIANCE
SECURITIES INC.

(SIGNED) PAUL BERNARD

INTEGRAL WEALTH
SECURITIES LIMITED

(SIGNED) DAVID CUSSON

LAURENTIAN BANK
SECURITIES INC.

(SIGNED) PIERRE
GODBOUT

PI FINANCIAL CORP.

(SIGNED) BERT
QUATTROCIOCCHI

ROTHENBERG CAPITAL
MANAGEMENT INC.

(SIGNED) ROBERT
ROTHENBERG

