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## **Message to Shareholders**

2007 was a year of transformation for Aston Hill. The Company re-defined itself with a new management team, a new name, new offices in both Calgary and Toronto, and a 3,000% increase in Assets Under Management ("AUM"). Our stock price more than doubled, and we were able to post positive net income for the first time in the Company's history. In short, it was an incredible first year for this management team and we are proud of our accomplishments.

Earlier in the year, Aston Hill was re-structured into three distinct divisions, each headed up by its own president. These divisions are Sword Energy, Catapult Funds Management and Aston Hill Financial (Toronto).

The Sword Energy division, lead by myself and Stuart Keck, was created to purchase and manage physical oil and gas assets for institutional clients. Sword successfully acquired Thunder Energy Trust in June, 2007, and converted it into a private oil and gas limited partnership for a trio of Canadian pension funds and pension fund managers. Sword Energy had a \$440 million enterprise value at inception and has grown to over \$550 million today through exploration, development and acquisitions. We are continuously looking to acquire more accretive assets for our Sword clients and expect to substantially grow the entity over the coming years.

The Catapult division, lead by Joanne Hruska, specializes in oil and gas fund management in the form of either flow-through funds, common equity funds or specialized funds for private investors. Our true area of expertise is the small and middle capitalization arena where we have analyst coverage of over 300 public and private companies producing oil and natural gas in Western Canada. To date, Catapult has created a common equities fund and two flow-through funds under the Catapult banner, while also being selected as portfolio sub-advisor for a new group of mutual funds under the Ark Aston Hill name. In addition, Catapult is now managing individual portfolios for private investors. The exceptional performance of the funds we created in 2007 are now attracting attention and we continue to create new funds and offer our services as sub-advisor to various existing entities with the expectation of growing Catapult AUM over the next few years.

The Toronto division of Aston Hill is led by Ben Cheng, and manages income and high yield funds, as well as hedge funds and structured products for clients such as Arrow Hedge Partners Inc. and Ark Mutual Funds Ltd. This division is presently acting as sub-advisor for a number of funds and is currently developing new products for new and existing clients. As Income Trusts approach taxability in 2011 and the number of trusts diminishes, we see an increasing number of investors looking for alternate income products. Aston Hill is tailoring a new series of income and high yield products for those investors.

As I write this message to shareholders, I am surrounded with a number of exciting opportunities in each of our three divisions and see great things on the horizon. We have built a high energy team, with an average age below 40, and look forward to continued growth in 2008.

I would also like to take this opportunity to thank my partner, Ben Cheng, our employees, Directors and Shareholders for their continued support.

***Eric Tremblay***  
*Chief Executive Officer*