Aston Hill Financial Inc.

Consolidated Financial Statements
For the three and nine month periods ended September 30, 2008 and 2007

Contents

NOTIFICATION OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the three and nine month periods ended September 30, 2008.

Aston Hill Financial Inc.
Consolidated Balance Sheets
(Unaudited)

	September 30, 2008	December 31, 2007
Assets		
Current		
Cash and cash equivalents	**$ 1,965,242**	$ 630,289
Marketable securities	**469,931**	1,596,310
Accounts receivable (Note 7)	**641,785**	842,524
Prepaid expenses	**15,159**	71,662
	$ 3,092,117	3,140,785
Prepaid deposits	**21,298**	21,298
Long-term investments	**11,065,964**	7,144,792
Property and equipment	**375,462**	460,500
	$ 14,554,841	$ 10,767,375
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	**$ 480,632**	$ 792,737
Bank Loan (Note 4)	**-**	1,800,000
	480,632	2,592,737
Debentures	**249,703**	249,616
	730,335	2,842,353
Shareholders' equity		
Equity instruments (Note 5)	**16,649,369**	13,258,413
Contributed surplus (Note 6)	**1,666,178**	1,450,527
Deficit	**(4,491,041)**	(6,783,918)
	13,824,506	7,925,022
	$ 14,554,841	$ 10,767,375

The accompanying notes are an integral part of these Consolidated Financial Statements.

Aston Hill Financial Inc.
Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	**2008**	2007
Revenue				
Management and advisory fees (Note 7)	**$ 665,203**	$ 527,550	**$ 1,971,711**	$ 713,260
Acquisition promotes and fees (Note 7)	**-**	-	**1,000,000**	4,995,361
	665,203	527,550	**2,971,711**	5,708,621
Expenses				
General, administrative and other (Note 7)	**931,943**	540,529	**2,812,875**	2,444,782
Interest expense (Note 4)	**757**	20,998	**49,336**	20,988
Stock compensation expense (Note 5)	**60,000**	90,000	**250,000**	370,000
Amortization	**25,600**	9,020	**70,800**	26,582
Interest on debenture	**5,318**	5,314	**15,837**	15,770
Project identification costs, net of recoveries	**-**	39,799	**-**	39,799
	1,023,618	705,650	**3,198,848**	2,917,921
(Loss) income from operations before Investing activities	**(358,415)**	(178,100)	**(227,137)**	2,790,700
Investing				
Gain (loss) on sale of marketable securities	**-**	-	**(913,746)**	-
Interest income	**14,836**	2,594	**25,141**	31,904
Dividend, royalty and oil and gas property investment income	**32,594**	6,369	**162,014**	19,106
Change in unrealized gains and losses of marketable securities	**(43,211)**	(152,355)	**1,200,331**	(1,146,925)
Change in unrealized gains and losses of long-term investments	**(1,497,409)**	(369,093)	**2,053,277**	(513,839)
Change in fair value of warrant liability	**-**	7,145	**-**	160,098
Dealer commissions	**(1,300)**	-	**(7,003)**	(742)
(Loss) income from investing activities	**(1,494,490)**	(505,340)	**2,520,014**	(1,450,398)
Net (loss) income for the period	**(1,852,905)**	(683,440)	**2,292,877**	1,340,302
Weighted average number of shares - basic	**59,159,217**	51,162,792	**54,568,126**	51,066,594
Weighted average number of shares - diluted	**59,159,217**	51,162,792	**55,067,253**	51,066,594
(Loss) income per share – basic	**$ (0.031)**	$ (0.013)	**$ 0.042**	$ 0.026
(Loss) income per share – diluted	**$ (0.031)**	$ (0.013)	**$ 0.042**	$ 0.026

Consolidated Statements of Deficit
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	**2008**	2007
Deficit, beginning of period	**(2,638,136)**	(5,632,526)	**(6,783,918)**	(8,319,698)
Accounting change	**-**	-	**-**	663,430
Deficit, beginning of period, after accounting change	**(2,638,136)**	(5,632,526)	**(6,783,918)**	(7,656,268)
Net (loss) income for the period	**(1,852,905)**	(683,440)	**2,292,877**	1,340,302
Deficit, end of period	**(4,491,041)**	(6,315,966)	**(4,491,041)**	(6,315,966)

The accompanying notes are an integral part of these Consolidated Financial Statements.

Aston Hill Financial Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	Three Months ended September 30		Nine Months ended September 30	
	2008	2007	**2008**	2007
Cash flows from operating activities				
Net (loss) income for the period	**$ (1,852,905)**	$ (683,440)	**$ 2,292,877**	$ 1,340,302
Adjustments for:				
Non-cash acquisition promote	**-**	-	**-**	(4,995,361)
Amortization of property and equipment	**25,600**	9,020	**70,800**	26,582
Amortization of debenture discount	**68**	64	**87**	20
Stock compensation	**60,000**	90,000	**250,000**	370,000
Change in unrealized gains and losses of marketable securities	**43,211**	152,355	**(1,200,331)**	1,146,925
Change in fair value of investment securities held in Wisevest Income Fund (Note 4)	**(10,495)**	9,543	**(10,495)**	(6,286)
Change in unrealized gains and losses of long-term investments	**-** **1,507,904**	359,550	**(2,042,782)**	520,125
Change in fair value of warrant liability	**-**	(7,145)	**-**	(160,098)
Loss on sale of marketable securities	**-**	-	**913,746**	-
Cash flow (deficiency) from operations	**(226,617)**	(70,053)	**273,902**	(1,757,791)
Changes in non-cash working capital items				
Accounts receivable	**(6,640)**	(324,829)	**200,739**	(250,690)
Prepaid expenses	**18,834**	15,141	**56,503**	45,423
Accounts payable and accrued liabilities	**40,199**	(497,410)	**(312,105)**	(386,498)
	(174,224)	(877,151)	**219,039**	(2,303,556)
Cash flows from investing activities				
Purchase of property and equipment	**(16,995)**	(7,732)	**(25,575)**	(81,413)
Leasehold improvement inducements	**(186)**	-	**39,814**	-
Purchase of marketable securities	**(317,642)**	-	**(317,642)**	-
Acquisition of long-term investments	**(13,664)**	-	**(1,867,896)**	(1,871,875)
Proceeds from sale of marketable securities	**-**	-	**1,730,606**	-
	(348,487)	(7,732)	**(440,693)**	(1,953,288)
Cash flows from financing activities				
Bank loan borrowings (repayment)	**-**	-	**(1,800,000)**	1,800,000
Proceeds from exercise of stock options	**35,000**	-	**63,000**	56,000
Proceeds of private placement of common shares	**-**	-	**3,309,080**	-
Share issue costs	**-**	-	**(15,473)**	-
	35,000	-	**1,556,607**	1,856,000
(Decrease) increase in cash and cash equivalents	**(487,711)**	(884,883)	**1,334,953**	(2,400,844)
Cash and cash equivalents, beginning of period	**2,452,953**	1,527,254	**630,289**	3,043,215
Cash and cash equivalents, end of period	**1,965,242**	642,371	**1,965,242**	642,371
Supplementary Information				
Cash paid for interest	**$ 6,007**	**$** 5,250	**$ 65,086**	$ 15,750

The accompanying notes are an integral part of these Consolidated Financial Statements.

1. Summary of Significant Accounting Policies

The interim consolidated financial statements of Aston Hill Financial Inc. ("Aston Hill" or the "Company") have been prepared by management following the same accounting policies and methods of computation as the consolidated financial statements for the fiscal year ended December 31, 2007, except as identified in Note 2. The note disclosure requirements for annual financial statements provide additional disclosure to that required for these interim statements. Accordingly, these interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2007. The disclosures provided below are incremental to those included in the 2007 annual consolidated financial statements of the Company.

Comparative figures

Certain comparative figures have been classified to conform with the current period's financial statement presentation.

2. Changes in Accounting Policies

On January 1, 2008, the Company adopted CICA 1535, Capital Disclosures. This standard requires the disclosure of information related to the objectives, policies and processes for managing capital.

On January 1, 2008, the Company adopted CICA 3862, Financial Instruments – Disclosures and CICA 3863, Financial Instruments – Presentation, replacing CICA 3861. CICA 3862 requires enhanced disclosure of the nature and extent of the risks arising from financial instruments and how the Company manages those risks. CICA 3863 carries forward the presentation requirements of CICA 3861 with respect to financial instruments.

Future Accounting Changes

On January 1, 2009, the Company will adopt CICA 3064, Goodwill and Intangible Assets. This standard contains revised guidance for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this standard is not expected to have a significant impact on the Company's financial position or results of operations.

The Canadian Accounting Standards Board ("AcSB") has confirmed its plan to adopt all International Financial Reporting Standards, as published by the International Accounting Standards Board, on or by January 1, 2011. The Company will adopt all of the International Financial Reporting Standards in accordance with the AcSB's plan. The impact of the adoption of these standards is not known at this time.

3. Capital Management

The Company's capital management objective is to maximize shareholder returns while ensuring that the Company is capitalized in a manner which appropriately supports regulatory requirements, working capital needs and business expansion. The Company's capital management practices are focused on preserving the quality of its financial position by maintaining a solid capital base and a strong balance sheet. Capital of the Company currently consists of equity instruments. From time to time, the Company may finance long-term investments through bank indebtedness. The Company's capital is primarily utilized in its ongoing business operations to support working capital requirements, long-term investments made by the Company, business expansion and other strategic objectives.

4. Bank Loan

The Company entered into a demand revolving loan agreement on June 26, 2007 with a Canadian bank in order to finance its participation in Sword. The loan had an initial borrowing limit of $1,800,000 and accrued interest at prime interest rates. On February 8, 2008, the Company borrowed a further $800,000 from the same Canadian bank in order to maintain its 2.42% interest in Sword. The Company was required to maintain debt to tangible net worth and cash flow coverage ratios of 1.00:1.00 and 1.25:1.00, respectively. On June 26, 2008 the Company repaid the loan in full.

5. Equity Instruments

(a) Authorized
Unlimited number of Common voting shares

(b) Issued

Common shares	**September 30, 2008**		December 31, 2007	
	Number of Shares	**Amount**	Number of Shares	Amount
Balance, beginning of period	**51,162,792**	**$ 13,258,413**	50,962,792	$ 13,177,477
Stock options exercised – cash portion (Note 5 (c))	**225,000**	**63,000**	200,000	56,000
Stock options exercised – fair value portion	**-**	**34,349**	-	24,936
Common shares issued by private placement June 6, 2008 (Note 5 (d))	**7,878,762**	**3,309,080**	-	-
Share issue costs (Note 5 (d))	**-**	**(15,473)**	-	-
Balance, end of period	**59,266,554**	**$ 16,649,369**	51,162,792	$ 13,258,413

(c) Options

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of Common shares equal to 10% of the issued and outstanding Common shares of the Company. The exercise price and vesting period of options granted is not less than the market price of the Common shares traded and is determined by the Board of Directors. Options granted have a term of up to 5 years.

5. Equity Instruments - continued

(c) Options - continued

The Company has granted stock options to employees, directors, officers and consultants of the Company as follows:

	Number of Options	Option Prices per Share $	Weighted Average Exercise Price $	Weighted Average Remaining Term	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable $
Options outstanding, December 31, 2006	3,700,000		$0.31	3.8 years	1,700,000	$0.33
Options granted April 30, 2007	770,000	$0.37	$0.37	4.3 years	-	-
Options vested	-	$0.38	$0.38	3.0 years	33,333	$0.38
Options exercised	(200,000)	$0.28	$0.28	-	(200,000)	$0.28
Options forfeited	(100,000)	$0.28	$0.28	-	(100,000)	$0.28
Options vested	-	$0.28	-	1.7 years	383,333	$0.28
Options vested	-	$0.30	-	3.8 years	283,333	$0.30
Options vested	-	$0.32	-	3.0 years	33,333	$0.32
Options vested	-	$0.26	-	4.0 years	200,000	$0.26
Options outstanding, December 31, 2007	4,170,000		$0.33	3.1 years	2,333,332	$0.32
Options exercised	(100,000)	$0.28	$0.28	-	(100,000)	$0.28
Options vested	-	$0.37	$0.37	3.8 years	256,663	$0.37
Options granted May 2, 2008	935,000	$0.44	$0.44	4.8 years	-	-
Options exercised	(125,000)	$0.28	$0.28		(125,000)	$0.28
Options vested		$0.30	$0.30	3.0 years	283,332	$0.30
Options vested		$0.38	$0.38	2.3 years	33,334	$0.38
Options outstanding, September 30, 2008	4,880,000		$0.35	2.9 years	2,681,660	$0.33

The weighted average contractual life of exercisable options at September 30, 2008 is 2.1 years.

On May 2, 2008, the Company granted 935,000 options to employees, consultants and directors. The options have an exercise price of $0.44 per share, vest over three years and expire on May 2, 2013.

On April 8, 2008, 100,000 options with an exercise price of $0.28 per share were exercised by a director of the Company.

On September 17, 2008, 125,000 options with an exercise price of $0.28 were exercised by employees of the Company.

Subsequent to period end, on October 26, 2008, 35,000 options with an exercise price of $0.44 that had been granted to a consultant of the Company were cancelled.

On February 1, 2006 a major shareholder of the Company granted to several employees and directors 3,800,000 options to purchase shares in the Company held by the major shareholder. The options have exercise prices ranging from $0.28 per share to $0.60 per share, vest over three years and have a remaining life of 3.6 years. Pursuant to CICA 3870 regarding stock based payments, the Company has recognized stock compensation expense relating to options granted by a major shareholder. On May 1, 2007, 1,000,000 options were granted by a major shareholder to an employee to purchase shares held by the major shareholder at an exercise price of $0.25 per share. The options vest to the employee one-half on June 1, 2007 and one-half on February 1, 2008 and expire on May 1, 2011.

5. Equity Instruments - continued

(c) Options - continued

Total compensation expense for the three and nine months ended September 30, 2008 of $60,000 (2007 - $90,000) and $250,000 expense (2007 - $370,000), respectively, was recorded in the statements of operations and deficit and offset in contributed surplus for options that were granted in 2004, 2005, 2006, 2007and 2008 using the Black-Scholes option pricing model with the following weighted average assumptions:

	2008	2007	2006	2005	2004
Risk free interest rate	**2.88%**	2.83%	2.78-3.13%	2.68-2.78%	3.03%
Expected life of options	**4 year**	4 year	4 year	4 year	4 year
Expected dividend	**Nil**	Nil	Nil	Nil	Nil
Expected share price volatility	**91%**	91%	82-91%	82-84%	70%

(d) Private placement

On June 6, 2008, the Company closed a non-brokered private placement by issuing 7,878,762 common shares at a price of $0.42 per share for gross proceeds of $3,309,080. The proceeds were used to pay down debt and will be used for general working capital and to advance the Company's business plan. Share issue costs of $15,473 were paid to legal counsel in respect of this private placement.

Directors and officers of the Company and of the Company's subsidiaries subscribed for 3,719,047 of the shares issued in this private placement, representing $1,562,000 or approximately 47.2% of the shares issued.

6. Contributed Surplus

	September 30, 2008	December 31, 2007
Balance, beginning of period	**$ 1,450,527**	$ 995,463
Stock compensation	**250,000**	480,000
Stock options exercised -fair value portion	**(34,349)**	(24,936)
Balance, end of period	**$ 1,666,178**	$ 1,450,527

7. Related Party Transactions

Except as disclosed elsewhere in the financial statements, the Company had the following related party transactions:

a) Accounts receivable includes management fees receivable from Catapult Energy Limited Partnership I of $nil (2007 - $40,859) for services provided by Catapult Financial Management Inc., as general partner and advisor. During the three and nine month periods ended September 30, 2008, related management fees of $nil (2007 - $40,859) and $32,027 (2007 - $135,347), respectively, were recorded as revenue. Catapult Financial Management Inc. is a wholly owned subsidiary of the Company.

7. Related Party Transactions - continued

b) Accounts receivable includes management fees receivable from Catapult Energy Small Cap FTS Limited Partnership of $12,517 (2007 - $15,007) for services provided by the Company, as administrator. During the three and nine month periods ended September 30, 2008, related management fees of $11,911 (2007 - $15,007) and $44,193 (2007 - $51,310), respectively, were recorded as revenue.

c) Accounts receivable includes management fees receivable from Catapult Energy Small Cap 2007 FTS Limited Partnership of $19,557 (2007 - $25,767) for services provided by the Company, as administrator. During the three and nine month periods ended September 30, 2008, related management fees of $18,626 (2007 - $25,767) and $68,703 (2007 - $39,378), respectively, were recorded as revenue.

d) In 2005, the Company invested $1,992,500 in the units of Catapult Energy Limited Partnership I, a limited partnership managed by Catapult Financial Management Inc., a wholly owned subsidiary of the Company. During the three and nine month periods ended September 30, 2008, the Company invested $nil (2007 – $nil) and $nil (2007 – a further $71,875), respectively, in Catapult Energy Limited Partnership I. On March 31, 2008, Catapult Energy Limited Partnership I was dissolved. On April 1, 2008, the Company received the proceeds from the dissolution of $1,008,305.

e) On June 26, 2007, the Company invested $1,800,000 in Sword Energy Inc. and received an acquisition promote for transaction services which has been valued at $4,995,361 and recorded as revenue with an offset to long-term investments. The Company manages Sword, a private company, on behalf of the majority shareholders and is paid a quarterly management fee as well as acquisition fees when applicable in accordance with an executed management agreement. Accounts receivable includes $532,082 (2007 - $375,000) as at September 30, 2008 in respect of these management fees. For the three month period ended September 30, 2008, $506,250 (2007 - $375,000) was recorded as revenue in respect of these management fees. The Sword fees represent 76% of the third quarter revenue. For the nine month period ended September 30, 2008, $2,518,750 (2007 - $375,000) was recorded as revenue in respect of these fees, comprised of a $1,000,000 acquisition fee and $1,518,750 in ongoing management fees. The Sword fees represent 85% of the nine month period revenue.

f) Consulting expense for the three and nine month periods ended September 30, 2008, includes $16,500 (2007 - $16,500) and $44,000 (2007 - $33,000), respectively, paid to Ghost Lake Manor Inc. for consulting services provided. Ghost Lake Manor Inc. is controlled by an indirect controlling shareholder of the Company.

g) On June 6, 2008, the Company closed a non-brokered private placement by issuing 7,878,762 common shares at a price of $0.42 per share for gross proceeds of $3,309,080. The proceeds were used to pay down debt and will be used for general working capital and to advance the Company's business plan. Directors and officers of the Company and of the Company's subsidiaries subscribed for 3,719,047 of the shares issued in this private placement, representing $1,562,000 or approximately 47.2% of the shares issued.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

8. Financial Instruments

The Company actively manages risks that arise as a result of its use of financial instruments. These risks include liquidity, credit and market risk.

Liquidity Risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. In addition to the Company's current balance of cash and cash equivalents, other potential sources of liquidity include the Company's portfolio of marketable securities. The Company's continued ability to access capital markets to raise funds is dependent on market conditions that are subject to change.

The Company's contractual maturities as at September 30, 2008 are as follows:

	Less Than 1 Year	1-5 Years	After 5 years	Total
Debentures	-	250,000	-	250,000
Office commitments	52,245	945,044	36,760	1,034,049
Total contractual obligations	$ 52,245	$ 1,195,044	$ 36,760	$ 1,284,049

Credit Risk

Credit risk is the potential for financial loss to the Company if a counterparty in a transaction fails to meet its obligations. The Company's cash and cash equivalents, accounts receivable, marketable securities and long-term investments are subject to credit risk. The Company monitors its credit risk management policies continuously to evaluate their effectiveness and feels that the credit worthiness of its counterparties is satisfactory at this time.

Cash and cash equivalents primarily consist of highly liquid temporary deposits with Canadian chartered banks, debt securities issued by the Canadian and provincial governments, bankers' acceptances and commercial paper. The Company mitigates credit risk on these financial instruments by adhering to its Investment Policy that outlines credit risk parameters and concentration limits. The Company's maximum credit exposure is approximately $14,142,922, which is the sum of its cash and cash equivalents, accounts receivable, marketable securities and long-term investments as reported on the balance sheet as at September 30, 2008.

Despite the Company's mitigation of credit risk, there is additional risk due to the current state of the financial market.

Market Risk

Market risk is the potential for loss to the Company from changes in the values of its financial instruments due to changes in interest rates, foreign exchange rates or equity prices. The Company's financial instruments are generally denominated in Canadian dollars and do not have significant exposure to changes in foreign exchange rates.

The Company's securities holdings are classified as held for trading, therefore unrealized gains and losses on securities are recorded in income until realized. As at September 30, 2008, the impact of a 10% decrease in the value of the Company's securities portfolio would have been an approximate $47,000 unrealized loss recorded in income. Due to the current financial market conditions, there is additional market risk that may affect the short term and long term value of marketable securities and long-term investments.

8. Financial Instruments – continued

Concentration Risk

The Company is exposed to concentration risk in that the majority of its operations, investments and currently managed funds are focused on Western Canadian oil and gas exploration and production. The Company adheres to strict investment policies and management strategies to mitigate the downside risk of this concentration.

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or ask prices, as appropriate, in the most advantageous active market for that instrument to which the Company has immediate access. Where bid and ask prices are unavailable, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, fair value is determined based on prevailing market rates for instruments with similar characteristics or internal and external valuation models, such as option pricing models and discounted cash flow analysis, that use observable market based inputs and assumptions.

Carrying Value and Fair Value of Financial Instruments

(a) Cash and cash equivalents

Cash and cash equivalents are classified as held-for-trading and are reported at fair value.

(b) Marketable securities

Marketable securities are classified as held-for-trading and are reported at fair value. As at September 30, 2008, the Company reported investments in marketable securities of publicly traded securities at a fair value of $469,931 (September 30, 2007 - $957,915).

(c) Accounts receivable

Accounts receivable are classified as loans and receivables and are reported at amortized cost. At September 30, 2008 the carrying value of accounts receivable approximated their fair value.

(d) Long-term investments

Parson's Pond has been classified as available-for-sale. The fair value of Parson's Pond as at September 30, 2008 and 2007 is $Nil.

Wisevest Income Fund is an investment in an investment trust, which classifies its investments as held-for-trading. As such, Wisevest Income Fund is consolidated at fair value pursuant to Accounting Guideline 18 – Investment Companies. The fair value of Wisevest Income Fund as at September 30, 2008 is $227,408 (September 30, 2007 - $205,460).

Sword Energy Inc. is a 2.42% investment in a private oil and gas production entity and is classified as held-for-trading. The fair value of the Company's interest in Sword as at September 30, 2008 is $10,785,660 (September 30, 2007 - $6,795,361 based on a 2.28% interest). Note that the fair value of the investment in Sword is recalculated quarterly based on internal and external reserve evaluations and estimates. The fair value is also affected significantly by a volatile oil and gas pricing environment. Therefore, changes in unrealized gains and losses from the Sword investment may fluctuate materially from quarter to quarter.

8. Financial Instruments – continued

(e) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as other liabilities and are reported at amortized cost. At September 30, 2008, the carrying value of accounts payable and accrued liabilities approximated their fair value.

(f) Debentures

The Juno debentures with face value of $250,000 and 8.4% coupon are classified as other liabilities and are reported at amortized cost. At September 30, 2008, the amortized cost of the debentures was $249,703 (September 30, 2007 - $249,550).

9. Subsequent Events

On October 31, 2008, the unitholders of both Catapult Energy Small Cap FTS Limited Partnership and Catapult Energy Small Cap 2007 FTS Limited Partnership voted for the liquidity alternative presented to the unitholders by the respective general partners. The liquidity alternative involved rolling all of the assets of each partnership into a mutual fund corporation managed by Ark Funds and for which Catapult Financial Management Inc. ("Catapult Financial") will provide advisory services. The rollover of the funds is expected to be completed on or about December 15, 2008.

On November 7, 2008, Catapult Energy 2008 Inc. ("Catapult 2008") closed the initial offering of Catapult Energy 2008 FTS Limited Partnership (the "FTS 2008 Partnership") by issuing 345,707 limited partnership units at $25.00 per unit for gross proceeds of approximately $8.64 million. Catapult 2008 is responsible for developing and implementing all aspects of the FTS 2008 Partnership's communications, marketing and distribution strategies and manages its ongoing business and administrative affairs. Catapult Financial has been retained by Catapult 2008 to advise on the management of the investments in flow-through shares of private and public resource issuers for the FTS 2008 Partnership.

As of November 14, 2008, Catapult Financial's services were terminated by Arrow Hedge Partners Inc. ("Arrow Hedge"). For the year-to-date period ending September 30, 2008, the Arrow Hedge fees represented 7.9% of the total management and advisory fees. For the third quarter of 2008, the Arrow Hedge fees represented 5.8% of the total management and advisory fees.