Northern Rivers Capital Management Inc.
Royal Bank Plaza
North Tower, Suite 2000
200 Bay Street, PO Box 66
Toronto, Ontario
M5J 2J2 Canada

Tel: 416.597.1226
Fax: 416.597.8926

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Dear Partners and Friends:

October was another absolutely awful month on just about all accounts: the U.S. economy, the Canadian economy, the global economy, real estate, all financial markets, and our funds. The credit markets continued to be largely seized up, with banks and other financial institutions very restrictive in lending to each other and operating businesses. October also saw increased de-leveraging at both financial institutions and investors (both hedge funds and individuals) who had over-levered themselves with debt. This resulted in continued forced and panic selling in capital markets and buyers continued to be very cautious in the face of difficult economic news.

In this very difficult environment, the Northern Rivers Global Energy Fund LP (Energy Fund) was down 22.27% during the month, and the Northern Rivers Conservative Growth Fund LP (Growth Fund) was down 20.50% reflecting extreme discounts to what we believe are normal and rational valuations.

	Average Annual Returns to October 31, 2008*						
	2008 YTD	1 mo.	3 mo.	6 mo.	1 Yr.	3 Yr.	Inception**
Northern Rivers Global Energy Fund LP	-43.08%	-22.27%	-41.55%	-44.51%	-44.84%	-2.99%	-2.99%
Northern Rivers Conservative Growth Fund LP	-43.92%	-20.50%	-32.21%	-37.20%	-40.96%	0.39%	0.39%

**Inception date: Nov. 1, 2005

What just happened and where are we going?

These are the questions that most investors are asking themselves today about both the economy and the markets. We found the following poem, oft quoted by Sir Winston Churchill, especially appropriate in the present situation:

Who is in charge of the clattering train?
The axles creak and the couplings strain,
And the pace is hot, and the points are near
And sleep has deadened the driver's ear;
And the signals flash through the night in vain,
For death is in charge of the clattering train.

Many participants in today's economy and financial markets feel like they are aboard the clattering train that is being driven by the U.S. and global financial systems. What started out as some well intentioned loosening up of credit to U.S. business and consumer over a decade ago turned into a huge financial system mess, with multiple levels of leverage built into the system. The magnitude of the leverage and risk that built up in the system was well beyond what most people would have thought possible. As governments and companies have started dealing with cleaning up this mess, there has been a cascading fallout: first, the housing market got hit, then financial institutions got hit, and now just about all aspects of the global economy and markets are being hit.

So where does that leave us today with the financial markets? Many world markets in October touched levels down over 40% year to date, including the S&P 500 at one point in October. In over 180 years of trading, this index has only been down over 30% for the full year twice. One of those years was during the great depression, and as negative as some bears may be regarding the current situation, we are not going into a depression. The fundamental basis of the economy today is very different from the 1930's and active government moves to stabilize the financial system are starting to take effect, in contrast to the laissez faire attitude that led to a banking crisis in the 30's. We are most likely going through the toughest recession we have experienced in over twenty years.

Importantly, we will re-emerge into a growth cycle at the end of the current recession (likely late in 2009) driven by continued expansion of global trade and commerce as emerging economies around the world continue to strive to improve their standard of living to levels closer to that experienced by North Americans. It is this important point that many investors in the market are missing today: the global economy grows over the long term, with relatively long periods of growth, interrupted by shorter periods of recession. While this recession is likely to be the most difficult we have seen in a long time, we will emerge out the other side and the better companies will emerge stronger. This is what investors should be focusing on.

Towards the end of October, one of the world's foremost investors, Warren Buffet, came out with a commentary making many of the same points discussed above. He also added that to make good returns over the long-term you need to be "fearful when others are greedy and greedy when others are fearful". Both Buffet and I believe now is a good time to be buying superior companies in the market and not selling, but you have to be able to withstand the pain of short-term losses to make longer-term gains as it is next to impossible to "pick the bottom" on stocks and markets. This is certainly the greatest time of fear we have seen in the financial markets in at least twenty years. So to answer the question where are we going: we believe the answer is up, but the trickier part is how soon will we start to go up? To that question our answer is soon. It could be this month or it could be nine months away. At this point we are definitely closer to a bottom than to a top.

Northern Rivers Global Energy Fund LP

The Energy Fund's negative return in October was primarily due to panic selling in the general markets and even more so in the energy sector. Oil dropped below $70 for the first time since August, 2007 and natural gas below $6.25 for the first time September, 2007, driving fears of further declines. Crude oil was down 33% in October, one of the largest single month moves in history. The market continued to be affected by the slight excess of oil production in the market

relative to consumption, as western world consumption has been dropping this year with people cutting back on the number of miles driven and lower industrial activity. Overall, global consumption has continued to rise on the back of emerging market growth. With the spreading recession, it now looks like overall global consumption could experience its first year over year decline in over twenty years. This is what has spooked the oil markets the most, as pundits make comparisons to the price crash of the mid 1980's, when oil dropped by over 70%. A drop of 70% from July's peak price of $145 would have oil dropping all the way to the low $40's. The situation today, however, is very different from the previous plunge in the 80's.

In the early 1980's, we saw a substantial drop of crude oil consumption in western economies for a number of reasons, but one of the biggest impacts came from the replacement of oil-powered power stations for other fuels (coal, nuclear, etc.). Today, power consumption from oil is an extremely small percentage of power production so a drop in oil consumption due to elimination of power generation consumption is not possible in the same way it was in the 80's. The most we are likely to see global consumption drop is a couple of million barrels per day during the course of this pullback. This would be small compared to the early 80's experience and on a consumption base of 86 million barrels would represent only an approximate 3% pullback.

On the supply side, in the mid 1980's when oil dropped over 70%, OPEC had massive amounts of excess productive capacity sitting idle and had been cutting production for many years to keep prices up and offset rapid production growth coming from new producing basins at Prudhoe Bay and the North Sea. Contrast that with today's situation, where until very recently, OPEC had increased production over the last five years to meet rising demand for oil. Surplus capacity had dropped to historically low levels in the area of 2 million barrels/day (around 3% of supply) and the investment community was fretting over whether supply would be able to keep pace with demand. Only recently, in the face of 50% price declines, has OPEC made its first production cut. In the last week of October OPEC held an emergency meeting at which they agreed to cut their production by 1.5 million barrels per day (2% of global supply) to bring the market back into balance and stabilize prices.

Finally, to put a bit of perspective on these wildly gyrating energy prices, we need to take a look at the longer-term fundamentals. I have mentioned many supply factors in past letters, such as dropping production in Russia (neck and neck with Saudi Arabia as the world's largest producer) Mexico, and the North Sea. With substantial declines happening in many major producing basins worldwide and average global decline rates estimated at 5.5% per year, the oil industry has to find and develop 4.7 million barrels per day of new capacity every year just to keep production flat. To put this in perspective, 4.7 million barrels per day is about 20 times the oil production coming from Suncor Energy, Canada's large oil sands producer who developed the first oil sands mine. Canada is expected to be one of the solutions to the oil shortages we expect in the long-term. But, unfortunately for the world, development of Canada's large heavy oil deposits is very expensive to both develop and extract. The cash costs on large oil sands mining operations are now in the high $30's per barrel, and that includes nothing for the massive costs to develop these deposits. At current capital costs, the oil prices required to economically develop many of the larger deposits in

Alberta's oil sands requires high double-digit oil prices, above current prices. Without higher oil prices, development of new oil deposits will slow substantially and will set the world up for its next oil crisis sometime in the next five years, as growth re-commences on the other side of the current recession.

So where does that leave us on our oil pricing outlook? Based on current panic, we could see oil drop to the $50 per barrel area in the short-term, at which point you will see a further curtailing of industry spending on oil development and production declines out of mature basins will start to accelerate. This, along with the current OPEC cut and potential future cuts will finally stabilize the market and you will likely see a slight price rebound to the higher double digits. Once economic growth resumes later in 2009 and 2010, concerns on where sufficient oil supply will come from will re-surface and we will start to see some upward pressure on oil prices.

In an effort to keep this letter to a reasonable length, we will leave our discussion of gas markets to next month, but we do view this market to be close to a bottom now as prices have been battered and producing companies are starting to cut back their spending to develop resources.

So what are we doing with the portfolio to position for profit over the coming periods? We are focusing on high-grading the portfolio to companies that are either relatively insulated from the drop in commodity prices (example: Niko Resources in India where they will have over $400 million of cash flow next year with next to no commodity price risk as they sell their gas from the growing D6 project at a fixed price of $4.25 per mcf) or on companies with superior resource properties and good balance sheets (example: Petrobank, who has excellent positions in low cost resource plays in the Bakken oil shale, Montney tight gas, oil sands and excellent upside from their THAI fireflooding technology). Meanwhile, we are keeping a reserve of cash available for new opportunities as we find them.

The most exciting development in the portfolio this month was the addition of Tourmaline Energy. Tourmaline is a brand new company started by the same management team led by Mike Rose that added substantial shareholder value at previous companies Duvernay and Berkley Petroleum. Duvernay was bought by Royal Dutch Shell earlier this year for $6 billion. Tourmaline has raised $300 million and will use the proceeds to acquire and develop oil and gas properties. We expect Tourmaline to be a source of good value added for unitholders over the coming years.

To summarize, very bullish long-term drivers for the energy sector continue to be in place. Short-term, we have been hit by panic selling in the general markets but believe we are now setting up for a rally in the energy sector as most companies are trading at extremely depressed valuations. We think the outlook for the fund is compelling and look forward to good results to come in our energy squeezed world.

Northern Rivers Conservative Growth Fund LP

The Growth Fund was down 20.5% in October as panic and forced selling continued to batter the entire market. Declines were nearly universal across portfolio positions as the market panic affected almost all companies, big or small. The depressed level of valuations in the market is absolutely astounding as the market has already factored in a very deep recession and seems to have lost sight of the fact that growth will re-emerge at the end of the recession.

We addressed much of our economic and market outlook earlier, so I will just add a few comments on market valuation and portfolio makeup here. Markets are now trading at twenty year lows on numerous measures, which should provide the underlying fundamentals for a market rally. Earnings estimates on most companies are plunging, however, giving some investors reason

to sell or avoid buying. We expect earnings estimates to fall further over the coming six months, but investors now have to look across the valley to the recovery, as the stocks will recover in advance of a recovery. So we are spending most of our time examining longer term sustainable earnings coming from companies and the quality of their balance sheets and cash flows to allow them to both survive the downturn and increase their competitive positioning.

From a portfolio perspective, we are selectively shifting the portfolio towards higher quality balance sheets and more stocks with dividends, so that we get paid to wait for the market to recover. The energy and materials areas are being reduced until conditions improve, while we have added to telecom and healthcare. A good example of a new top ten holding is Rogers Communications, Canada's leading cable and wireless phone company, where we recently added a position at a 52 week low, paying a dividend of over 3%.

Out of our present portfolio holdings we will illustrate Western Goldfields as a vastly undervalued holding that we have added to recently. In early November Western announced a new mine plan for its Mesquite gold mine in California that drives higher production, lower costs, and higher cash flows. Mesquite entered production early this year and is now producing solid cash flow and earnings for Western. It is located in the U.S., a stable jurisdiction, and has cash costs of under $400 per ounce. Yet the market has penalized this holding as there has been forced selling of the stock in the market and insufficient buying. This has driven the stock down to under two times cash flow. We think this holding will add much value for us going forward.

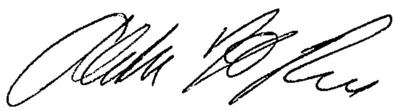
The market has reacted in a panicky manner to the news that the economy is in recession and the continuing financial market problems. In this context, the market and our portfolio has seen significant de-valuation. If we look out a year, however, we believe the inherent quality and fundamentals of our portfolio holdings will be recognized and achieve superior returns going forward. So, while we expect the economy to struggle over the coming year, we believe we will make good returns with our portfolio investments. Our portfolios are full of companies that we believe are substantially undervalued based on the results we expect to see over the coming 12 to 24 months. As in past months, I am again adding to my holdings in the Northern Rivers Conservative Growth Fund (mutual fund).

November 28th Next LP Closing

The next closing for the Northern Rivers Global Energy Fund LP and the Northern Rivers Conservative Growth Fund LP is November 28, 2008. As we mentioned in previous letters we are also pleased to announce the re-opening of the Northern Rivers Innovation Fund LP, and its RSP eligible version remains open as well.

As always, my colleagues and I will make ourselves available for meetings with interested parties. Please contact Jeffrey Zicherman, Sales Associate at 416-597-8508 or Robyn Graham, Vice President Sales & Marketing 416-597-3890 for more information or to set up an appointment, or call 416-597-1226 to speak with any one of us concerning the specific funds we manage. Our toll free number is 1-866-902-7060.

Warmest regards,



Alex Ruus, CFA, MBA, P.Eng.
Portfolio Manager

*Commissions, trailing commissions, management fees, performance fees, and expenses all may be associated with investment funds. Please read the offering memorandum before investing. The indicated rates of return are the simple returns (YTD, 1 mo, 3 mo, 6 mo) or the historical annual compounded total returns (1 yr, 2 yr and since inception). All returns are net of fees but do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

The Energy Fund and the Growth Fund invest primarily in North American equities. Geographic and sector allocations may vary significantly over time. The funds tend to follow a relatively concentrated investment approach where the manager may overweight selected core holdings and industry sectors such as energy or financial services in which the manager has particular conviction and/or specialized expertise. The funds may engage in short selling and may also use specified derivatives, such as calls and puts, warrants, index futures and exchange traded funds. This may result in portfolio weightings and investment performance being substantially different from that of the S&P/TSX Composite, S&P 500 or other market indices.