



August 15, 2007

Dear Investor:

RE: Norrep 2005 Flow-Through Limited Partnership and Norrep 2006 Flow-Through Limited Partnership T5013 slips – **update** on private company failure to renounce income tax deductions

On April 4, 2007 we wrote to the partners that a private company (Vanquish Oil and Gas Corporation) failed to make income tax renouncements to the Partnership despite both its agreement with us and its promises. This caused our T5013 income tax information slips to be incorrect. The April 4, 2007 letter is posted on our website. It suggested a short term solution so that Partners can file their income tax returns on time.

In an affidavit document provided to us by the court appointed receiver, we have now learned that Vanquish will not be in a position to provide us with further information until the fall of 2007. We cannot issue revised income tax slips until this private company clarifies its position.

As at December 31, 2006 the market value of this private company represented less than 0.3% (i.e. 0.003) of the market value of the Norrep 2005 Flow-Through Limited Partnership's assets and only 0.2% (i.e. 0.002) of the Norrep 2006 Flow-Through Limited Partnership's assets. These partnerships invest, and will continue to invest in a diversified portfolio of oil and gas and mining companies such that the misfortunes of one company will not be critical.

Sincerely,

A handwritten signature in black ink that reads 'Kelsey Brosz'. The signature is written in a cursive, slightly slanted style.

Kelsey Brosz, Controller
THE NORREP GROUP OF FUNDS
(403) 531-2650