CGS FLOW-THROUGH 2011 - 1 LP

CGS ASSET MANAGEMENT

CGS Flow-Through 2011 - 1 LP

CGS Asset Management

Investing	•Available through FundSERV to accredited or eligible investors •FundSERV Code: CGS 111 •Selling Concession: 5.00%
Closing	•Initial closing expected on or about July 31, 2011 •Monthly closings thereafter
Minimum Purchase	•$5,000 (200 units) •Multiples of $1,000 thereafter (40 units)
Portfolio	•Focused on energy and energy related private and publicly listed companies
2011 Tax Deduction	•Targeting 100% tax deduction in 2011
Rollover	•Tax-free rollover to redeemable mutual fund on or about June 30, 2012
Fees & Performance Bonus	•2.00% Management fee per annum •Performance bonus equal to 20% of any gains over the issue price of $25 per unit

Lower Issue Cost = Advantage for CGS Investors

CGS Asset Management

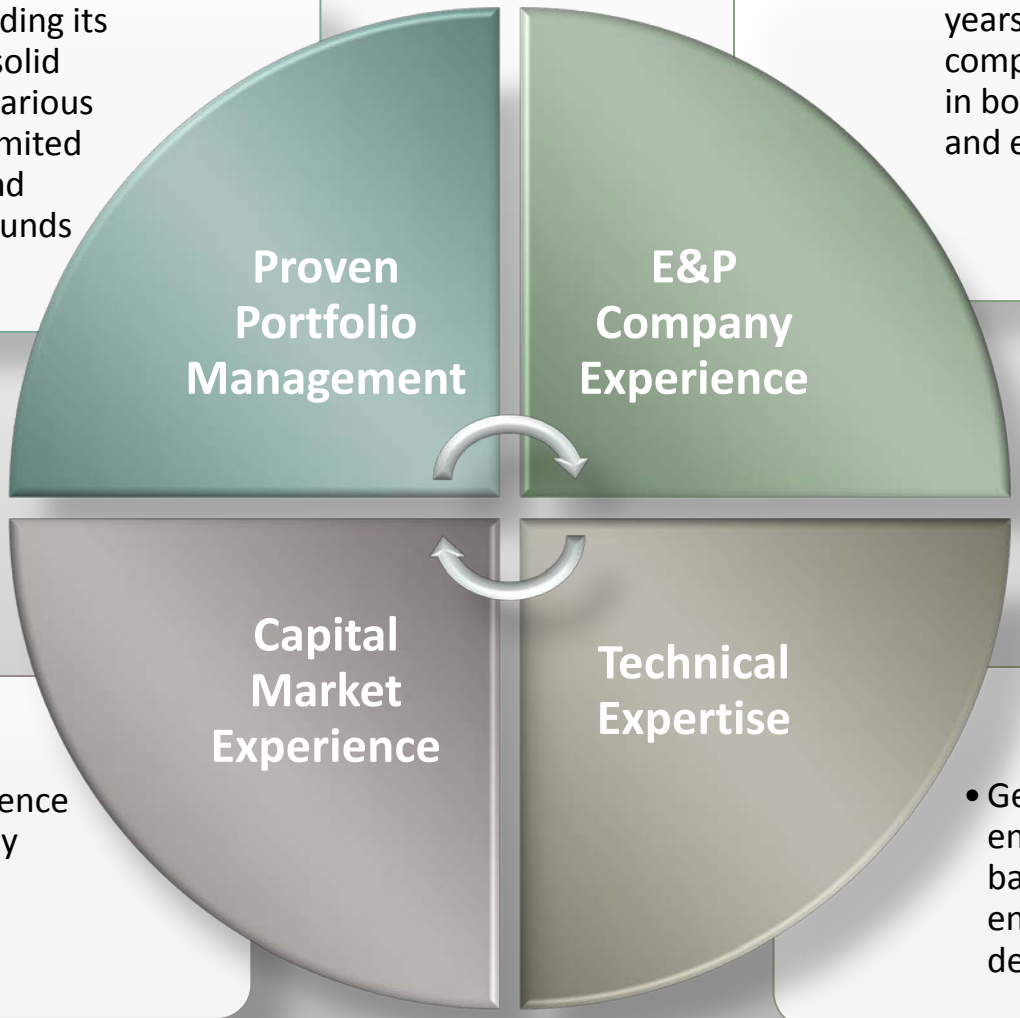
Example (for Ontario investors; assumes maximum deal size)			
	Selected Prospectus Based Flow-Through	CGS Flow-Through 2011 - 1 LP	The CGS Advantage
Unit Price	$25.00	$25.00	
Issue Cost	10.00%	5.33%	**-4.70%**
Available for Investment	$22.50	$23.67	+5.20%
FT Premiums	23.00%	20.00%	
Initial NAV	$18.29	$19.73	+7.87%
Required return at rollover to reach $25 issue price	36.67%	26.70%	**-9.97%**
After tax money at risk	$13.40	$13.40	
Breakeven proceeds at disposition (BIT)	$17.45	$17.45	

Experienced Team

CGS Asset Management

- The CGS team has a history of providing its investors with solid returns via its various flow-through limited partnerships and private equity funds

- CGS has numerous years of energy company experience in both operational and executive roles



- Sell-side experience and key industry contacts advantageous

- Geo-science and engineering backgrounds key to energy investment decision-making

Portfolio Leadership

CGS Asset Management

Clarence Chow, PM, P.Eng
President & CEO

- Former VP, Business Development of Morrison Petroleums
- Former President & CEO of Mountain Energy, and Justinian Explorations
- Former Chairman of Canadian Petroleum Institute
- Former Coordinator and Manager of the Alberta-California natural gas trade restructuring
- Current and Former Director (E&P Co's):
  - Angle Energy, Aliron Energy, Artemis Expl., Black Bore Res., Dorian Energy , Freemont Res., Flow Back Energy, FX Energy , Kensington Energy, Impala Res., In Depth Res., Procyon Energy, Standard Energy, Triwest Energy, Western Energy Services

Sandra Luttyck, CGA
SR. VICE PRESIDENT & CCO

- Chief Compliance Officer of CGS Asset Management
- Former Treasurer and Corporate Secretary of Justinian Explorations
- Former Business & Market Representative of Morrison Petroleums and Alberta and Southern Gas Company
- Over 20 years of financial, accounting and regulatory experience
- Director of AGS Capital Management Ltd., AGS Resource Management Ltd., AGS Financial Management Ltd., Energy Equities Ltd. and CGS GP Ltd.

Rare combination of executive, technical & operational experience

Portfolio Leadership

CGS Asset Management

Jason Konzuk, CFA, CA
Sr. Vice President

- Brings 10 years of sell side experience and an impressive financial background to CGS
- Former VP and Director of Institutional Sales at FirstEnergy Capital
- Former VP, Institutional trading at FirstEnergy Capital
- Former VP and Director in FirstEnergy's Equity Research department
- Financial Analyst at Altagas Energy Services and Senior Staff Accountant at Ernst & Young
- Holds a Bachelor of Commerce from Queen's University

Megan Miller, MBA
Vice President

- Broad range of experience in 9 years in capital markets
- Former institutional sales at Mackie Research
- Former equity research at Tristone Capital (acquired by Macquarie in 2009) and FirstEnergy in oil and gas
- Pricewaterhouse Coopers in Transaction Services, Madrid
- Holds an MBA in Finance from the Universidad Complutense (Madrid) and a Bachelor of Arts in Development Studies from the University of Calgary

Gabriel Chow, CIM
Assoc. Portfolio Manager

- Over 4 years experience in equity research and trading
- Former Research Associate with a registered fund manager based in Bay Street
- Currently a Chartered Financial Analyst Level II Candidate
- Holds a Bachelor of Arts in Economics from the University of Calgary

Hands On Capital Markets And Financial Experience

Portfolio Leadership

CGS Asset Management

Miles Nagamatsu, CA
CFO (FT & Mutual Funds)

- Former CFO of Lawrence & Company Inc. and its various funds and affiliates
- Former executive of National Bank of Canada and Continental Bank of Canada
- Former manager of Clarkson Gordon (now Ernst & Young LLP)
- Director of Eloro Resources Ltd., Essex Oil Ltd.
- Over 30 years of accounting, auditing, financial and fund management experience

John Brussa, LLB
Director (FT & mutual Funds)

- Senior Partner and Head of Tax Department of Burnet, Duckworth & Palmer LLP since 1987.
- Chairman of Penn West Petroleum Ltd., an eleven billion dollar market cap oil and gas company
- Member and former Governor of the Executive Committee of the Canadian Tax Foundation.
- Director of Baytex Energy Corp., Crew Energy Inc., Divesto Inc., Equal Energy Ltd., Harvest Energy Trust, North American Energy Partners, Inc.

Strong Financial And Legal Experience

Portfolio Performance

CGS Asset Management

Existing Funds/Partnerships (Closed to new investors)

Investment Period	Investment	Strategy	Return	NAV/unit*
May 2004 – Sep 2011	AGS Energy Fund, L.P.	Private Equity	74.7%*	$87,336
Jun 2006 – Jun 2012	AGS Energy Fund II, L.P.	Private Equity	13.6%*	$5,680
Feb 2008 – Jan 2012	AGS Energy Fund III, L.P.	Private Equity	110.8%*	$10,538
Sep 2010 – Jun 2011	CGS Flow - Through 2010 LP	Flow Through	41.1% **	$22.56
Dec 2008 – Open	CGS Resource Fund Ltd.	Mutual Fund	38.9%*	$17.57

New Funds/Partnerships (Open to new investors)

Investment Period	Investment	Strategy	NAV	
Open Ended	CGS Resource Fund Ltd.	Mutual Fund	$17.57*	
Jun 2011 – Jun 2012 ***	CGS Flow-Through 2011 - 1 LP	Flow Through	$25.00****	

**Before tax return since inception; updated as of June 30, 2011*
***Estimated after tax return for Ontario residents*
****Monthly closings potentially to December 15, 2011*
*****Initial unit cost on a before tax basis*

Performance - CGS Flow-Through 2010 LP

CGS Asset Management

First closing Sept 30, 2010; Tax free rollover June 30, 2011

	$/unit	% of unit price
Unit Price	$ 25.00	
Issuance Cost[1]	$ 1.75	7.0%
Flow Through Premium	$ 2.87	11.5%
Management Fee[2]	$ 0.26	1.0%
Other Costs	$ 0.43	1.7%
Available for Investment	**$ 19.69**	

Realized Return

NAV as of June 30, 2011	$22.56
Before Tax Absolute Return:	-12.8%
After Tax IRR (BC Residents)	35.2%
After Tax IRR (AB Residents)	26.3%
After Tax IRR (ON Residents)	41.1%

1. *Includes commission*
2. *Partial year to June 30, 2011*
3. *Assumes marginal tax rates for BC, AB and ON residents are 43.71%, 39.00% and 46.41%, respectively*

Advantage of Investing in CGS Flow-Through 2011-1 LP

CGS Asset Management

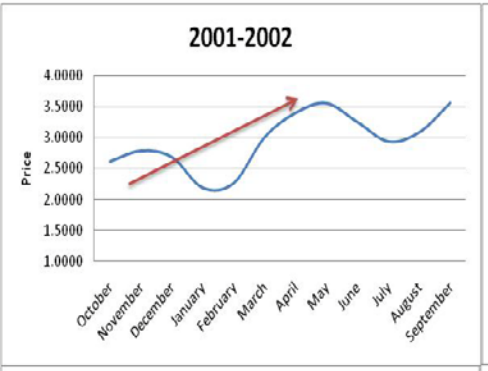
Short Hold Period	•**12 months or less** (tax-free rollover scheduled on or before June 30, 2012)
Low Cost Structure	•**Issue expenses will be in the range of 5.3%** (avg. prospectus offering = 10%) •**$25/unit FT price = Initial NAV of $23.67** (avg. prospectus offering = $22.50)
Experienced Team	•**Proven Performance** (Solid historic returns: flow-through LP's, private equity) •**E&P Companies** (operational & executive experience) •**Technical** (geo-sciences / engineering)
Focused Strategy	•**Smaller offerings = more flexible stock selectivity** •**15-25 investments at one time** (based on max. LP size of $30 million) •**Majority of portfolio in publicly listed companies**
Well Connected	•**With company presidents, research analysts, trade flow** • First-mover advantage • Well informed investment decision making • Manages complementary private equity funds with directorships

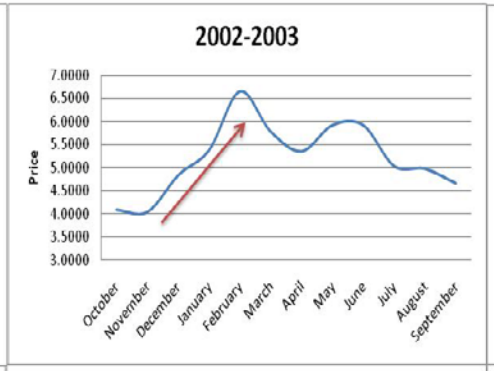
Advantage For Pro Investors

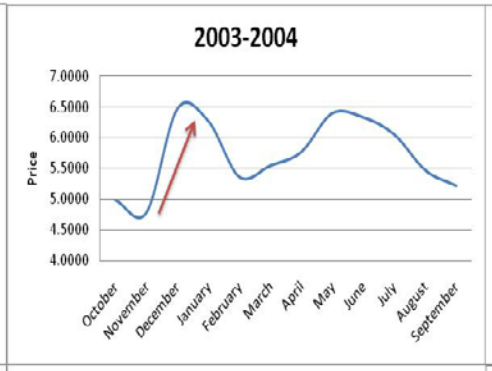
CGS Asset Management

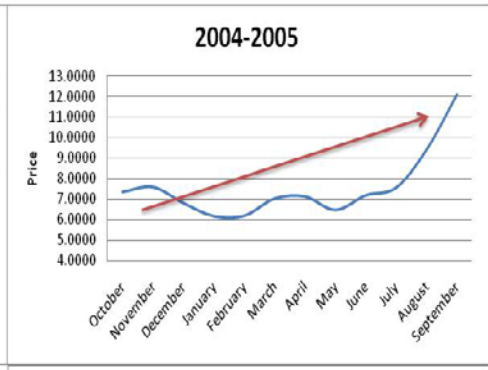
- Better allocation
- No priority conflicts:
  Client vs. pro orders
- Diversification
- Portfolio Approach
- Short lock-up (under 12 months)
- 5% Commission

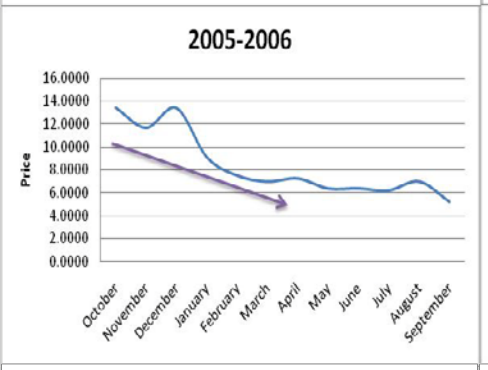
Natural Gas Price Trend (NYMEX)

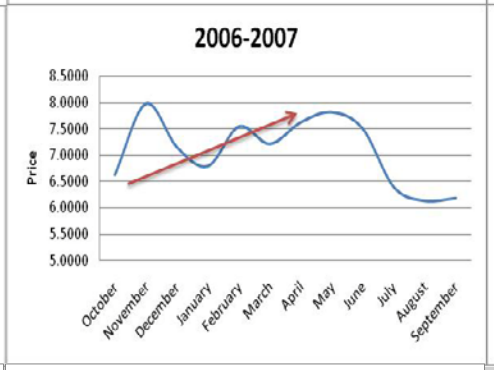


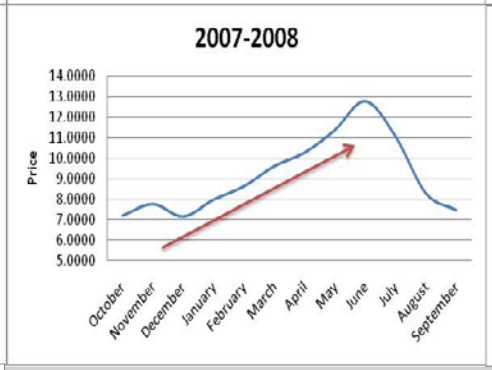


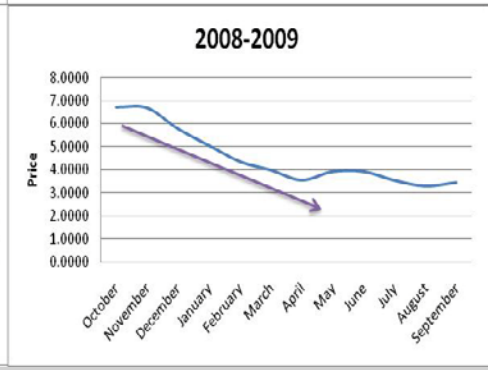


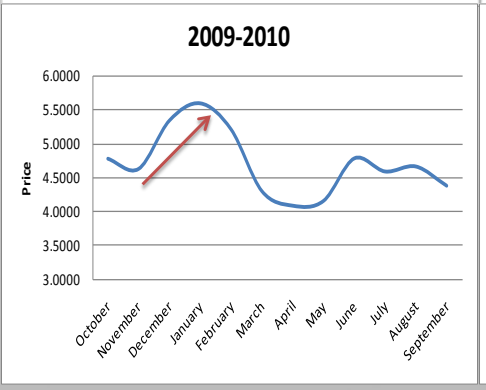


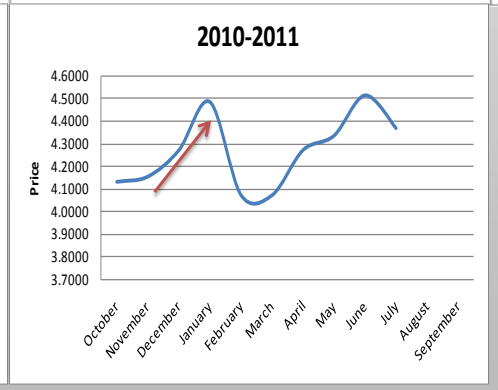








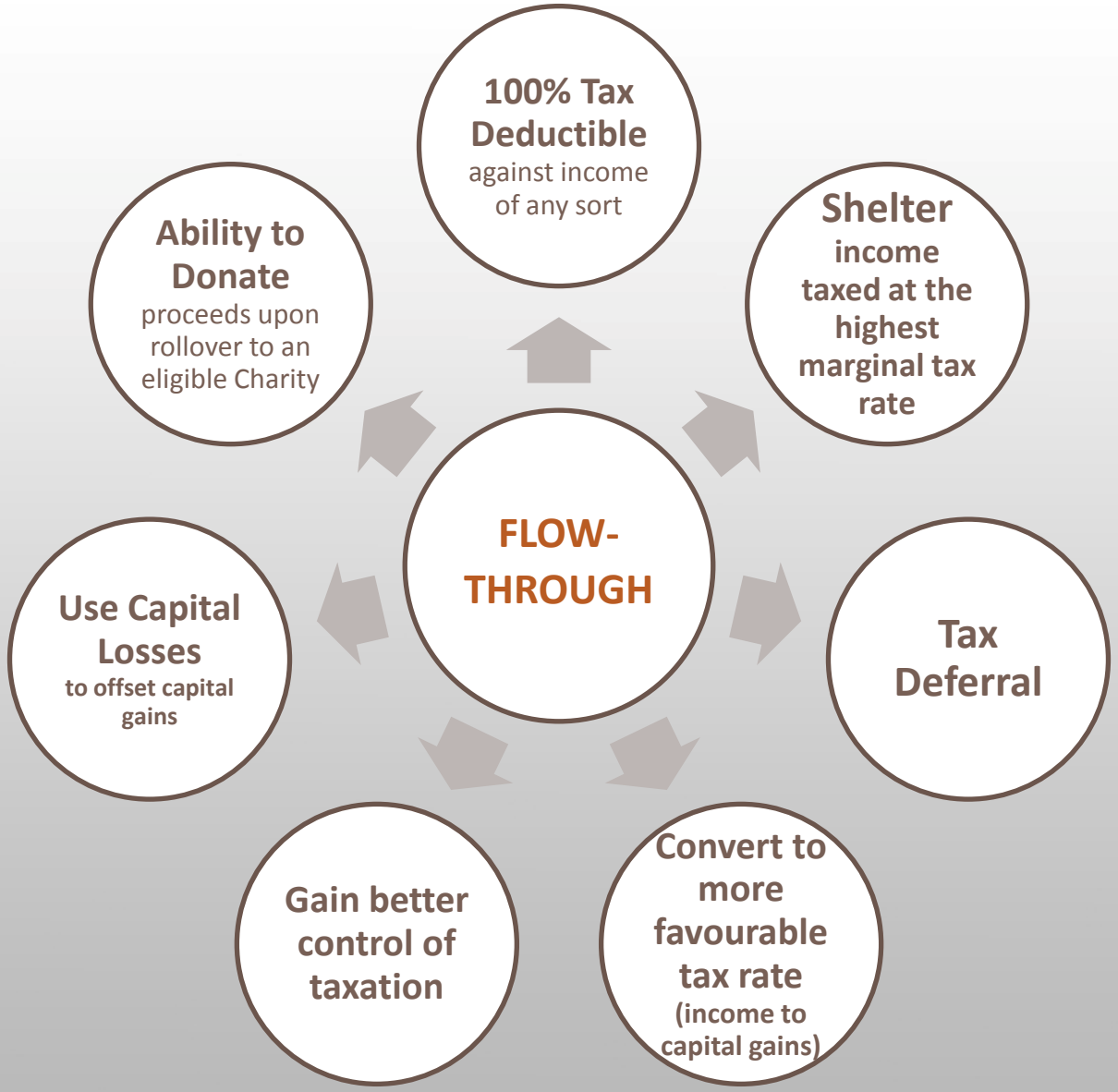




Seasonal Pattern of rising gas prices in the fall through spring has remained intact for 8 of the last 10 years

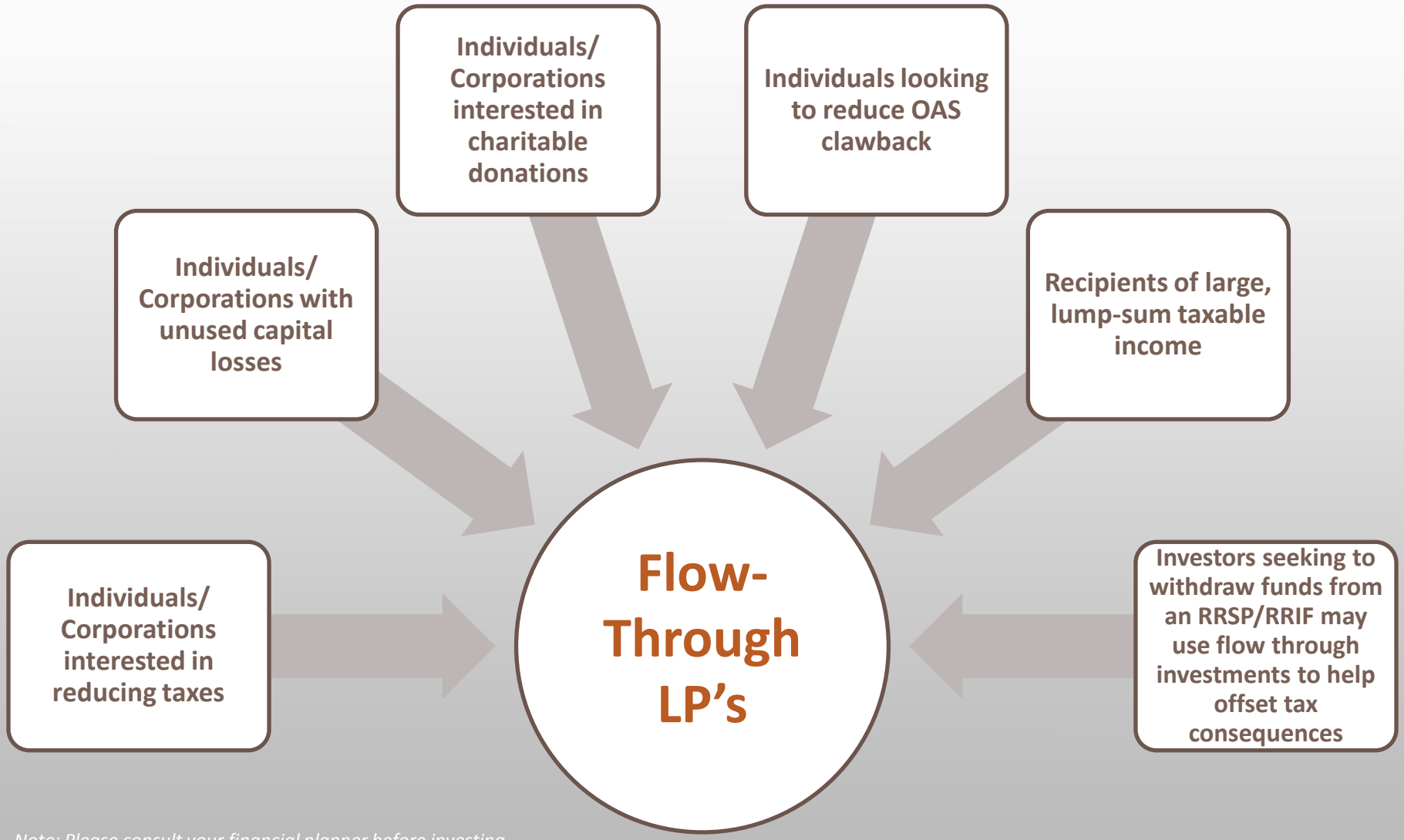
Benefits of Flow-Through Investing

CGS Asset Management



Target Markets for Flow-Through LP's

CGS Asset Management



Note: Please consult your financial planner before investing

Crude Oil Fundamentals

CGS Asset Management

Supply

- Recent geopolitical events in Middle East and Africa help spur oil over $100/b in H1 2011.
- IEA reaction to supply disruptions in Libya by announcing an "emergency release" of 60 million barrels of oil – despite this oil continued to trade between $90/b & $100/b.
- Alberta oil sands emerge to forefront as dominant "safe" future crude supply for the US (currently ~1.4 mmb/d; 2.1 mmb/d by 2015E); higher prices making it a feasible option once again.
- Expect continued decrease of OPEC spare capacity – should prove bullish

Demand

- Debt crisis in Europe & USA dominating recent headlines, creating fear of negative impact on short-term oil demand. Demand fundamentals expected to firm up in H2/11 and 2012.
- With uncertainty surrounding the global recovery, investors continue to turn to crude as an inflationary hedge
- Events in Japan: near-term bearish (slow-down of economic activity); mid to long-term bullish (with re-construction efforts underway)
- We expect higher growth economies (China / India) and large industrialized economies (US) to support long-term increased crude demand.

Crude Oil –
Our View Remains Bullish

CGS Asset Management

Oil supply and demand fundamentals remain largely bullish, with geopolitical events acting as a volatility catalyst.

We continue to believe it is a stock picker's market, and will buy quality and undervalued names on dips.

Crude Oil Price (WTI)

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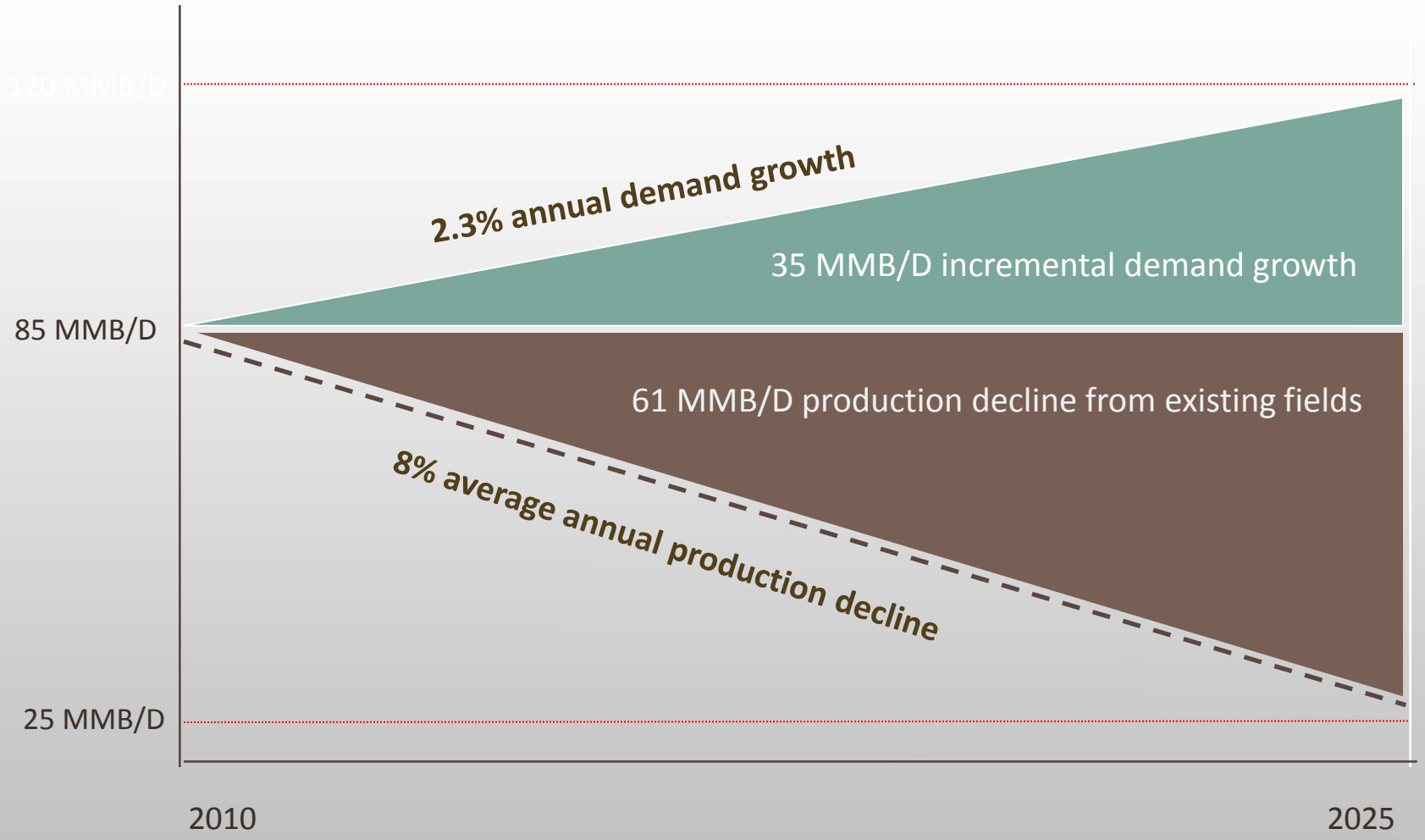
Oil's recent price appreciation increases the importance of stock selectivity going forward

Supply & Demand of Crude Oil



Long term supply/demand fundamentals point to a bullish crude oil price outlook

Source: Simmons & Company International

Natural Gas Fundamentals

CGS Asset Management

Supply

- Extended spring break-up stalled many Western Canadian operations / tie-ins
- Cold winter helped quell fears of reaching "full" storage capacity by the fall of 2011.
- Supply overhang continues to keep prices range bound between $3 - $6
- Lower price environment sees US Rig count dropping - stronger prices would incent further drilling.
- Marginal gas producer will have to remain on the sidelines until a decidedly firm pricing environment takes hold.

Demand

- Significant US demand growth in 2010 (3.5 bcf/d) driven by industrial and power generation demand, cold winter and improvements in a post-crash economy.
- Hot summer in the US Northeast should spur withdrawals / better pricing in the fall of 2011
- Japanese nuclear crisis bodes well for other electric-generating sources in long-term.
- Natural gas remains a particularly cheap, accessible, safe and clean-burning energy alternative in the United States, also boosting the appeal of LNG for net energy importers.

Natural Gas – Improved Outlook

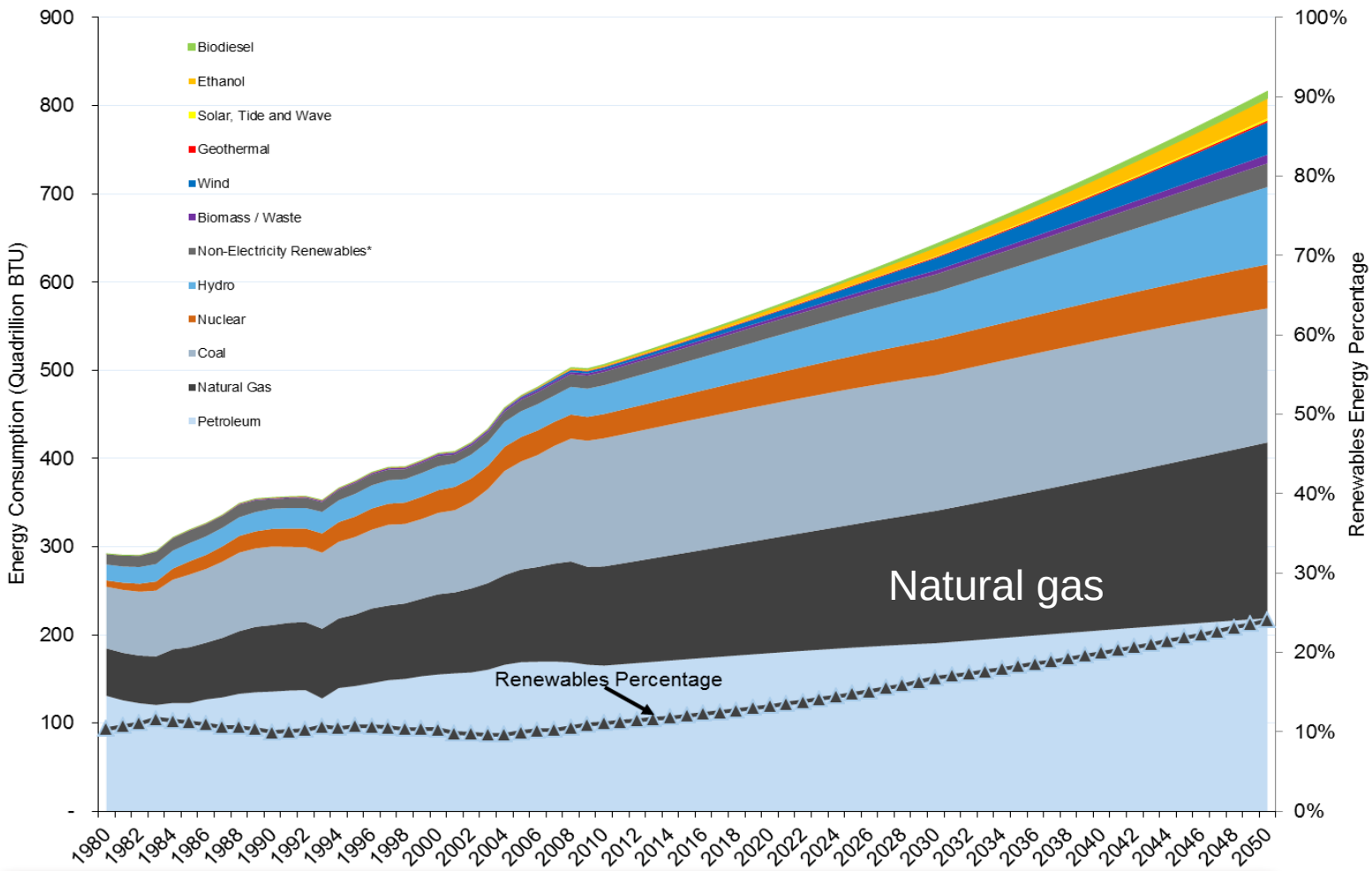
CGS Asset Management

We remain cautiously optimistic in the near-term and mid to long-term bullish.

Natural gas fundamentals are beginning to perk up. The gas storage situation is improving and the shift towards cleaner burning fuels has begun, helping to firm up the supply/demand curve going forward.

We see investing in quality management teams, low cost producers and continually seek buying opportunities on market pullbacks.

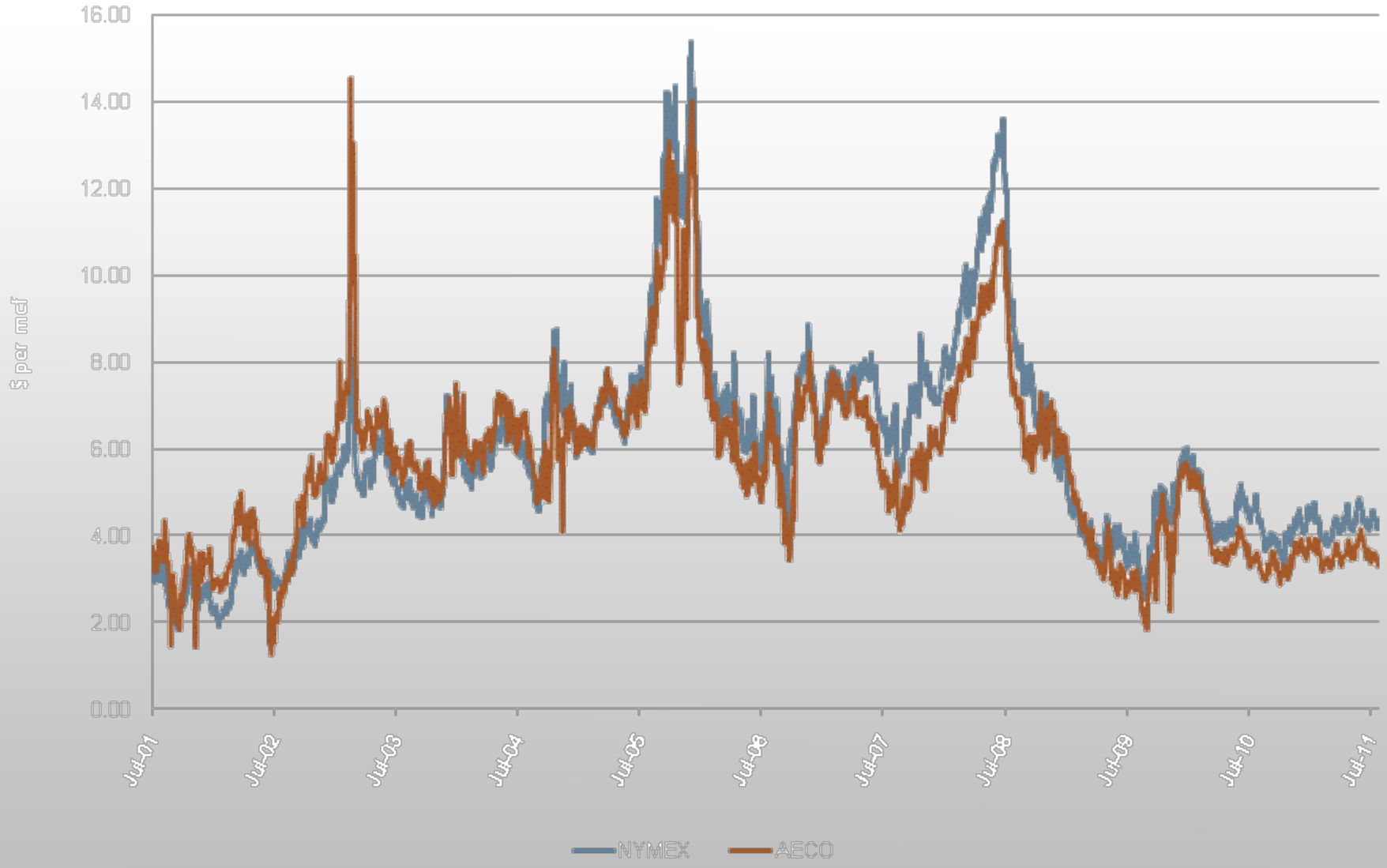
Projected Growth - Global Energy Consumption by Source to 2050



Gas expected to see continued future demand growth alongside alternative sources

Sources: EIA, Earth Policy Institute, AltaCorp Capital Inc

Natural Gas Price (NYMEX & AECO)



Natural Gas range bound from $3 and $6?

CGS Flow-Through 2011 - 1 LP

CGS Asset Management

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CGS Energy Fund I LP
–To Be Launched in October 2011

CGS Asset Management

Investing	•Available to accredited or eligible investors •Selling Concession: TBD
Closing	•Initial closing expected on or about October 31, 2011
Offering	•Up to 100,000 Class 'A' units to be issued by way of prospectus •Minimum $10,000,000; Maximum $50,000,000
Minimum purchase	•$5,000 (10 units at $500 per unit)
Portfolio	•Focused on energy and energy related private and publicly listed companies
Term	•The fund will have a term of 5 years from the final closing date •Tax-free rollover to redeemable mutual fund on completion of term •25% of sales proceeds will be returned to unit holders during the term
Fees & Performance Bonus	•2.00% Management fee per annum •Performance bonus of 20% of annual gains after the Fund's annual returns reach 8%

Contact Information

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CGS Asset Management

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