

Limited Partnership Land Pool (2007)
Interim Financial Statements
For the six months ended June 30, 2012 and 2011
(Unaudited)

NOTICE TO READER

These interim financial statements are the responsibility of management. In the opinion of management, these interim financial statements have been prepared within acceptable limits of materiality, and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

These interim financial statements have not been audited by an independent firm of chartered accountants. Readers are cautioned that these statements may not be appropriate for their purposes.

Limited Partnership Land Pool (2007)
Interim Balance Sheets

	June 30, 2012 (Unaudited)	Dec. 31, 2011
Assets		
Cash and cash equivalents	41,458	31,808
Accounts receivable	2,552	1,745
Capital assets		-
Land held for future development	53,543,754	53,546,575
	<u>53,587,764</u>	<u>53,580,128</u>
Liabilities		
Accounts payable & accrued liabilities	16,519	-
Customer deposits	2,400	28,038
Amounts due to related parties	18,147,393	17,282,883
Financings	7,763,521	7,693,667
	<u>25,929,833</u>	<u>25,004,588</u>
Commitments and contingencies (note 3)		
Equity		
General partner	100	100
LPLP unitholders (27,946,846 units)	18,033,735	18,618,680
RRSP #1 subco (9,903,100 units)	5,749,648	5,956,927
RRSP #2 subco (5,990,475 units)	3,874,448	3,999,833
	<u>27,657,931</u>	<u>28,575,540</u>
	<u>53,587,764</u>	<u>53,580,128</u>

Future operations (note 2)

Limited Partnership Land Pool (2007)
Interim Statements of Comprehensive Income
(Unaudited)

	Six months ended June 30,	
	2012	2011
Revenues		
Other revenue	60,015	33,174
	60,015	33,174
Expenses		
Write-down of lands held for future development	32,342	-
General and administrative	72,840	72,008
	105,182	72,008
Operating earnings	(45,167)	(38,834)
Interest expense	872,442	908,768
Loss being comprehensive loss for the year	(917,609)	(947,602)

Limited Partnership Land Pool (2007)
Interim Statements of Partners' Equity
For the six months ended June 30, 2012 and 2011
(Unaudited)

	Net Partners' Contributions	Retained Earnings	Partners' Equity
At December 31, 2010	39,523,155	(9,385,567)	30,137,588
Loss being comprehensive loss for the six months ended June 30, 2011	-	(947,602)	(947,602)
At June 30, 2011	39,523,155	(10,333,169)	29,189,986
Loss being comprehensive loss for the six months ended December 31, 2011	-	(614,446)	(614,446)
At December 31, 2011	39,523,155	(10,947,615)	28,575,540
Loss being comprehensive loss for the six months ended June 30, 2012	-	(917,609)	(917,609)
At June 30, 2012	39,523,155	(11,865,224)	27,657,931

Limited Partnership Land Pool (2007)
Notes to the Interim Financial Statements
For the six months ended June 30, 2012 and 2011
(Unaudited)

1. Organization and Operation of the Partnership

Limited Partnership Land Pool (2007) (the "Partnership") is a limited partnership formed under the laws of the Province of Alberta on June 29, 2007 pursuant to the *Partnership Act* (Alberta). It commenced operations on that date through the raising of funds from the sale of limited partnership units ("Units") through an offering memorandum dated June 30, 2007. As at June 30, 2012, the Partnership had 43,840,421 Units outstanding (Dec. 31, 2011 - 43,840,421 Units).

The Partnership was established to acquire raw (primarily agricultural) land in Airdrie and Delacour (the "Properties") and generate capital appreciation by obtaining various levels of municipal approvals leading eventually towards the re-designation of land use (rezoning) of the Properties to commercial, industrial, residential, recreational, or any combination thereof.

The affairs of the Partnership are managed by Genesis Land Development Corp. ("Genesis" or the "Manager") through its wholly-owned subsidiary GP-LPLP 2007 Inc. (the "General Partner"). Pursuant to a management agreement dated June 29, 2007, Genesis is entitled to participate in 50% of the proceeds from the sale of any land parcel owned by the Partnership, providing that limited partners receive a minimum return equal to 150% of the acquisition cost of that land parcel.

The Partnership's head office is located at 7315 - 8th Street N.E., Calgary, AB T2E 8A2.

Certain information and disclosure included in annual financial statements has been condensed or omitted. These interim financial statements should be read in conjunction with the financial statements and notes for the year ended December 31, 2011.

2. Future Operations

These financial statements have been prepared by the Partnership on the basis of accounting principles applicable to a going concern, which assumes that the Partnership will continue to operate for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

	June 30, 2012	Dec. 31, 2011
Current assets	44,010	33,553
Current liabilities	(25,929,833)	(25,004,588)

Working capital deficit	(25,885,823)	(24,971,035)
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Limited Partnership Land Pool (2007)
Notes to the Interim Financial Statements
For the six months ended June 30, 2012 and 2011

2. Future Operations (continued)

At June 30, 2012, the Partnership's current liabilities exceeded its current assets by \$25,885,823 (December 31, 2011 - \$24,971,035). For the six months ended June 30, 2012, the Partnership had a net loss of \$917,609.

Management believes the going concern assumption to be appropriate for these interim financial statements as the Manager has signed as a guarantor for the Partnership's financings and the payment of interest to third parties. If the going concern assumption were not appropriate for these interim financial statements, adjustments might be necessary to the carrying value of assets and liabilities and the reported operations.

3. Commitments and Contingencies

The Partnership has been named as a co-defendant in a statement of claim filed on May 10, 2011 in the province of Ontario. The plaintiff asserts that they contributed funds to a third party entity (one of the co-defendants), and through that entity, have an interest in the Partnership. The plaintiff is seeking \$10.7 million plus punitive damages relating to the ownership interests of the Partnership. The Partnership had issued \$11.0 million in partnership units to the third-party entity named as a co-defendant. Any additional liability that cannot be settled through the delivery of the partnership units is currently indeterminate.