

Limited Partnership Land Pool (2007)
Interim Financial Statements
For the six months ended June 30, 2013 and 2012
(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, 2013 (Unaudited)	Dec. 31, 2012
Assets		
Cash and cash equivalents	94,683	78,946
Accounts receivable	2,532	-
Land held for future development	40,058,506	40,058,506
	<u>40,155,721</u>	<u>40,137,452</u>
Liabilities		
Accounts payable & accrued liabilities	26,269	27,766
Customer deposits	2,400	2,400
Amounts due to related parties	19,837,613	18,983,929
Financings	7,819,947	7,797,653
	<u>27,686,229</u>	<u>26,811,748</u>
Commitments and contingencies (note 3)		
Equity		
General partner	100	100
Limited partners	12,469,392	13,325,604
	<u>12,469,492</u>	<u>13,325,704</u>
	<u>40,155,721</u>	<u>40,137,452</u>

Future operations (note 2)

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

	Six months ended June 30,	
	2013	2012
Revenues		
Other revenue	39,556	60,015
	39,556	60,015
Expenses		
Write-down of lands held for future development	2,532	32,342
General and administrative	21,426	72,840
	23,958	105,182
Operating earnings	15,598	(45,167)
Interest expense	871,810	872,442
Loss being comprehensive loss for the year	(856,212)	(917,609)

Limited Partnership Land Pool (2007)
Interim Statements of Partners' Equity
For the six months ended June 30, 2013 and 2012
(Unaudited)

	Net Partners' Contributions	Retained Earnings	Partners' Equity
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
Loss being comprehensive loss for the six months ended December 31, 2012	-	(14,332,227)	(14,332,227)
At December 31, 2012	39,523,155	(26,197,451)	13,325,704
Loss being comprehensive loss for the six months ended June 30, 2013	-	(856,212)	(856,212)
At June 30, 2013	39,523,155	(27,053,663)	12,469,492

Limited Partnership Land Pool (2007)
Notes to the Interim Financial Statements
For the six months ended June 30, 2013 and 2012
(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, 2013, the Partnership had 43,840,421 Units outstanding (Dec. 31, 2012 - 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, 2012.

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, 2013	Dec. 31, 2012
Current assets	97,215	78,946
Current liabilities	(27,686,229)	(26,811,748)
Working capital deficit	(27,589,014)	(26,732,802)

Limited Partnership Land Pool (2007)
Notes to the Interim Financial Statements
For the six months ended June 30, 2013 and 2012

2. Future Operations (continued)

At June 30, 2013, the Partnership's current liabilities exceeded its current assets by \$27,589,014 (December 31, 2012-\$26,732,802). For the six months ended June 30, 2013, the Partnership had a net loss of \$856,212.

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.