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FREEHOLD ROYALTY TRUST

NEWS RELEASE

TSE: FRU.UN

Freehold Royalty Trust Announces Agreement to Acquire Properties

CALGARY, Alberta/January 23, 2001/CCN/ - Freehold Royalty Trust ("Freehold") announced today that it has agreed to acquire a diverse package of Southeast Saskatchewan producing and undeveloped mineral title and gross overriding royalty properties for \$27.6 million. The properties to be acquired are the subject of a larger prior purchase and sale transaction between the vendor and Rife Resources Ltd. ("Rife"), owner of Rife Resources Management Ltd., manager of Freehold. Freehold is to acquire the properties upon the closing of the prior arrangement. A letter of agreement has been executed in respect of this prior transaction, with a formal purchase and sale agreement to be executed by February 2, 2001, subject to certain conditions being satisfied. Freehold will acquire from Rife all of the producing royalty interests contained in the package and a portion of the undeveloped mineral title and gross overriding lands. Rife will also sell to a third party industry partner a portion of the working interest properties and undeveloped lands acquired by Rife in the prior transaction. The effective date of Freehold's acquisition of the properties will be January 1, 2001 and closing is expected to occur by April 30, 2001. The acquisition is expected to be financed through Freehold's existing credit facilities.

The properties to be acquired are expected to add approximately 500 barrels per day of medium to light oil royalty production to Freehold's production base. The acquisition of these properties represents an accretive transaction for Freehold.

Freehold is unique among oil and gas royalty trusts as a majority of Freehold's distributable income is generated from royalties (mineral title rights and gross overriding royalties). Freehold's Trust Units trade on The Toronto Stock Exchange under the symbol "FRU.UN". Additional information is available on the Trust's Website www.freeholdtrust.com.

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