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FREEHOLD **R**OYALTY **T**RUST

NEWS RELEASE

TSX: FRU.UN

Freehold Royalty Trust Announces Cash Distribution for January 15, 2003

CALGARY, Alberta, December 16, 2002 /CCN/ - Freehold Royalty Trust (“Freehold”) (TSX-FRU.UN) announces that the regular monthly cash distribution in the amount of Cdn\$0.10 (ten cents) per Trust Unit will be paid on January 15, 2003 to Unitholders of record on December 31, 2002. The ex-distribution date is December 27, 2002. Including this amount, the twelve-month trailing distribution totals Cdn\$1.31 per Trust Unit.

2002 Taxability

For tax purposes, Freehold estimates that cash distributions paid to Unitholders during the 2002 taxation year will be approximately 55% to 60% taxable (“other income”) and approximately 40% to 45% tax deferred (“return of capital”). The actual amount will be determined by February 15, 2003.

For further information, contact:

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