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FREEHOLD ROYALTY TRUST

NEWS RELEASE

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Freehold Royalty Trust Announces Filing of Preliminary Prospectus for the Issue of Trust Units

CALGARY, Alberta/May 3, 2001/CCN/ - Freehold Royalty Trust (“the Trust”) announced today the filing of a preliminary short form prospectus on May 2, 2001 in all provinces of Canada relating to a new issue of Trust Units. The offering will be made through a syndicate of Underwriters led by RBC Dominion Securities Inc. and including BMO Nesbitt Burns Inc. and CIBC World Markets Inc. The net proceeds from the issue will be used to repay \$22 million of the Trust’s credit facility which was utilized to complete a recent acquisition of royalty properties in southeast Saskatchewan (see news release dated April 30, 2001), to finance a portion of the Trust’s 2001 capital expenditure program of \$2.4 million, and to repay outstanding indebtedness incurred to finance capital expenditures to date.

The Trust Units offered will not be, and have not been, registered under the *United States Securities Act of 1933* and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirement.

Not for distribution in the United States or over U.S. Wire Services. Any failure to comply with this restriction may constitute a violation of U.S. Securities Laws.

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