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FREEHOLD ROYALTY TRUST

NEWS RELEASE

TSE: "FRU.UN"

Freehold Announces Approval of Amendment to Trust Indenture

CALGARY, Alberta /May 4, 2000/CCN/ - Freehold Royalty Trust (FRU.UN) is pleased to announce that the amendment to the annual capital expenditures restriction in the Trust Indenture as outlined in the Trust's Information Circular dated March 3, 2000, which was distributed to all Unitholders, was approved at the Annual and Special Meeting of Unitholders held yesterday in Calgary, Alberta.

The amendment provides for an increase in the percentage of net cash flow that may be deducted for annual capital expenditure requirements from 5% to a maximum of 15%. The 5% limit had the unintended effect of requiring unnecessary borrowing to fund production enhancement projects during active periods. The Board of Directors feels the new 15% maximum will strike a balance between the use of current revenue and borrowed funds to meet normal development needs. The Trust's capital expenditure program for 2000 is estimated to be \$5.2 million, all of which will be funded from cash flow.

Freehold Royalty Trust receives and distributes royalty income from a diversified asset base of high quality oil and gas properties. The Trust currently has 26.6 million Trust Units outstanding and trades on The Toronto Stock Exchange under the symbol "FRU.UN".

For further information please contact:

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