

## **Freehold Royalty Trust Adds New Royalty Income**

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**CALGARY, Alberta/June 16, 2000/CCN/** - Freehold Royalty Trust (FRU.UN) today announced that it has entered into an agreement to acquire mineral title, royalty, and working interest properties in the Luseland area of Saskatchewan for \$5.1 million, funded through its existing bank facilities. Through this acquisition, the Trust has increased its mineral title ownership from 62.6 percent to 100 percent, which also includes a 20 percent lessors royalty. It has also acquired working interests and a gross overriding royalty interest on adjacent lands. The Luseland property is located approximately 85 miles Southeast of Lloydminster.

The properties acquired, with an effective date of April 1, 2000, are expected to add approximately 250 barrels of oil equivalent per day (115 barrels of royalty oil production and 135 barrels of working interest oil production) to Freehold's production base at an average cost of \$20,400 per barrel per day. The purchase is estimated to increase income available for distribution by \$0.04 per Trust Unit (after interest charges).

The established reserves (proven plus half probable) attributed to the properties by Gilbert Laustsen Jung Associates Ltd. in an independent report prepared as at April 1, 2000 are 568 thousand barrels of oil equivalent. This results in a reserve cost of \$9.10 per barrel of oil equivalent for established reserves.

Freehold is unique among oil and gas trust structures with a majority of Freehold's cash flow generated from the mineral rights (royalties) on 550,000 gross acres of former Hudson's Bay Lands. The acquisition will contribute to both the royalty income stream, with a direct impact on distributions to Unitholders, as well as to the producing asset base. 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](http://www.freeholdtrust.com).

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