

NEWS RELEASE

TSX: FRU.UN

Freehold Royalty Trust Announces \$60.7 million Acquisition of Royalty Interests

CALGARY, Alberta/June 29, 2007/CCN/ - Freehold Royalty Trust (“Freehold”) today announced that it has entered into an agreement to acquire certain gross overriding royalty interests on 345,000 gross acres of land in Alberta and Saskatchewan for approximately \$60.7 million, prior to adjustments. The acquisition is effective March 1, 2007 and is expected to close by August 31, 2007. The acquisition will be funded through Freehold’s existing credit facilities. Freehold’s debt to cash flow ratio will be approximately 1.3 times following the completion of this acquisition. The acquisition of these properties supports Freehold’s strategy of acquiring royalty interests.

The properties are expected to add approximately 550 barrels of oil equivalent (boe) per day to Freehold’s production base effective September 1, 2007. Production is weighted 51% towards natural gas and 49% to light oil and NGLs. As there are no operating and capital costs or third party royalties associated with the royalty production acquired, this production receives high netbacks. The annualized cash flow was approximately \$9.5 million during 2006.

Proved plus probable reserves attributed to the properties were evaluated by Freehold at 1.5 million boe (37% natural gas). Based on the post close forecast production, the reserve life index is approximately 7.4 years. Currently 1,200 wells are producing and further drilling on the lands is anticipated. During 2006, 70 gross (2.1 equivalent net) wells were drilled.

Freehold is the only royalty trust in Canada whose primary focus is on oil and gas royalties. Approximately 80% of production and over 90% of distributions come from royalty assets (mineral title and gross overriding royalties). Freehold has an interest in over 23,000 oil and gas wells in western Canada and Ontario. Production is split 60% to oil and 40% natural gas. The Trust Units trade on the Toronto Stock Exchange in Canada under the symbol FRU.UN.

Forward-Looking Statements – Certain information set forth in this document, including management’s assessment of Freehold’s future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Freehold’s control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, taxation, regulation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Freehold’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements. No assurance can be given that any of the events anticipated will transpire or occur, or if any of them do, what benefits Freehold will derive from them.

For further information please contact:

David Sandmeyer, President & C. E.O. (403) 221-0848
Joe Holowisky, Vice-President, Finance & C.F.O. (403) 221-0855
Karen Taylor, Manager, Investor Relations (403) 221-0891

Freehold Royalty Trust
Phone: (403) 221-0802
Fax: (403) 221-0888
(toll free in Canada/U.S. 1-888-257-1873)
E-mail: ir@freeholdtrust.com
Website: www.freeholdtrust.com