

NEWS RELEASE

TSX: FRU.UN

Freehold Royalty Trust Announces \$33 Million Royalty Interest Acquisition, Closing of \$57 Million Royalty Acquisition, and Increase in Credit Facility to \$210 Million

CALGARY, Alberta/September 5, 2007/Marketwire/ - Freehold Royalty Trust ("Freehold") today announced that it has acquired, from a private oil and gas company, a gross overriding royalty interest on a long-life property at Dixonville, located in northwest Alberta, for \$32.7 million, net of adjustments. The royalty encompasses 7,330 gross acres of land. The acquisition closed on September 5, 2007, and was funded through Freehold's credit facility.

The Dixonville properties are expected to add approximately 225 barrels of oil equivalent (boe) per day to Freehold's production base effective September 5, 2007. Proved plus probable reserves attributed to the properties were internally evaluated by Freehold at 0.8 million boe (86% oil, 29° API). The proved plus probable reserves do not include any incremental reserves due to a potential waterflood recovery process. Based on the Operator's announced plans, Freehold expects its share of production to grow to approximately 325 boe per day by 2009 through drilling opportunities. There are approximately 75 identified horizontal well locations designed to optimize pool recovery. As a royalty owner, Freehold will not incur any capital or operating costs related to this activity.

Closing of Previously Announced \$57 Million Royalty Acquisition

The previously announced acquisition of gross overriding royalty interests on 345,000 gross acres of land in Alberta and Saskatchewan for \$57.3 million, net of adjustments, closed on August 31, 2007. The acquisition was funded through Freehold's credit facility.

These properties are expected to add approximately 550 boe per day to Freehold's production base effective September 1, 2007. Production is 51% natural gas and 49% light oil and NGL's. The annualized cash flow was approximately \$9.5 million during 2006.

Proved plus probable reserves attributed to these properties were evaluated by Freehold at 1.5 million boe (37% natural gas). Based on 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.

The two acquisitions will add approximately \$90 million of COGPE to Freehold's existing year end 2006 tax pools of \$162 million.

Increase in Credit Facility to \$210 Million

Freehold has received confirmation from its lenders that its existing credit facility has been increased from \$165 million to \$210 million.

Freehold's primary focus is on acquiring and managing 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 60% 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.

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