

*Distributable income for the first quarter of 2003 was \$12.4 million, up 71% on the strength of high commodity prices. The Board of Directors has declared an extra distribution of \$0.20 per Trust Unit relating to the first quarter.*

## Quarterly Report for the period ended March 31, 2003

### First Quarter Highlights

- ◆ Record quarter for funds generated from operations
- ◆ Production averaged 5,847 barrels of oil equivalent (boe)\* per day, down 3%
- ◆ Average price realizations up 75% to \$40.97 per boe
- ◆ Operating netback of \$37.18 per boe, up from \$20.75 per boe a year ago
- ◆ Net debt reduced 47% to \$17.5 million at March 31
- ◆ Declared distributions of \$12.4 million (\$0.40 per Trust Unit)
- ◆ Monthly distribution remains set at \$0.10 per Trust Unit; declared extra distribution for first quarter of \$0.20 per Trust Unit

Freehold's monthly distribution rate is currently fixed at \$0.10 per Trust Unit. Strong price realizations received in the first quarter have enabled the Board of Directors to declare an extra distribution of \$0.20 per Trust Unit payable on June 15, 2003 to Unitholders of record on May 31, 2003. **Combined, the June 15<sup>th</sup> payment (regular monthly distribution and the top-up for the first quarter), will total \$0.30 per Trust Unit.** Including the above distribution, the trailing 12-month-distributions paid is \$1.65 per Trust Unit, representing a 14% cash-on-cash yield at current Trust Unit prices. Since inception in November 1996, the Trust has distributed a total of \$7.65 per Trust Unit. It is anticipated that approximately 60% to 65% of distributions will be taxable to Unitholders in 2003.

Highlights (\$000s, except as noted)	Three Months Ended March 31		%
	2003	2002	
Gross revenue	21,754	12,844	+69
Operating income			
Royalty lands income	15,017	8,798	+71
Working interest income	4,549	2,495	+82
Net income	12,933	4,520	+186
Per Trust Unit (\$)	0.42	0.15	+180
Funds generated from operations	18,365	10,110	+82
Per Trust Unit (\$)	0.60	0.34	+76
Income available for distribution	17,036	9,450	+80
Per Trust Unit (\$)	0.56	0.31	+81
Distributable income	12,398	7,231	+71
Per Trust Unit (\$)	0.40	0.24	+67
Long-term debt	17,500	33,000	-47
Trust Units outstanding	31,256,736	30,135,000	+4
Weighted average	30,621,875	30,129,300	+2
Average daily production (boe/d)	5,847	6,046	-3
Total production (boe)	526,198	544,158	-3
Average price realizations (\$/boe)	40.97	23.35	+75

\* In this report, references to barrels of oil equivalent (boe) use the 6:1 ratio.

## Management's Discussion and Analysis (MD&A)

The following discussion is management's opinion about Freehold Resources Ltd. ("Resources") and Freehold Royalty Trust's (the "Trust") (collectively "Freehold"), operating and financial results for the three months ended March 31, 2003 and previous periods, and the outlook for Freehold based on currently available information. All comparative percentages are between the quarters ended March 31, 2003 and March 31, 2002, unless stated otherwise. This discussion should be read in conjunction with the Trust's annual MD&A and audited combined financial statements for the years ended December 31, 2002 and 2001, together with the accompanying notes. These are included on pages 12 through 38 of the Trust's 2002 annual report to Unitholders.

### Results of Operations

**Production** – Average daily production for the first quarter of 2003 edged down 3% to 5,847 boe per day, in line with our expectations. The high level of drilling activity experienced on our royalty lands in the last two quarters is not fully reflected in our numbers and will add to production and reserves later in 2003. Production improvements can also be expected on our working interest lands due to our active program planned for the remainder of 2003.

Average Daily Production	Three Months Ended		
	March 31		%
	2003	2002	Change
<b>Royalty Lands</b>			
Oil (bbls/d)	2,496	2,758	-9
NGLs (bbls/d)	211	222	-5
Natural gas (mcf/d)	8,316	7,337	+13
Oil equivalent (boe/d)	4,093	4,202	-3
<b>Working Interest Properties</b>			
Oil (bbls/d)	1,211	1,273	-5
NGLs (bbls/d)	98	58	+69
Natural gas (mcf/d)	2,673	3,075	-13
Oil equivalent (boe/d)	1,754	1,844	-5
<b>Total Trust (boe/d)</b>	<b>5,847</b>	<b>6,046</b>	<b>-3</b>
Potash (tonnes/d)	9.2	7.7	+19

**Pricing** – In the first quarter of 2003, benchmark WTI crude oil prices rose 57% and AECO natural gas prices increased 137%. The benchmark price for Bow River heavy oil improved 51%.

Average Benchmark Commodity Prices*	Three Months Ended		
	March 31		%
	2003	2002	Change
WTI crude oil (US\$/bbl)	33.86	21.62	+57
Bow River heavy oil (C\$/bbl)	39.79	26.27	+51
AECO natural gas (C\$/mcf)	7.92	3.34	+137

\* Source: Canadian Association of Petroleum Producers

Freehold's selling price increased 75% for the first quarter. The variances largely mirror the changes in benchmark pricing and reflect Freehold's product mix. Freehold's production remains unhedged, in keeping with expressed policy.

Freehold Average Selling Prices (C\$)	Three Months Ended		
	March 31		%
	2003	2002	Change
Oil (\$/bbl)	39.98	25.61	+56
NGLs (\$/bbl)	36.36	19.91	+83
Oil and NGLs (\$/bbl)	39.70	25.24	+57
Natural gas (\$/mcf)	7.29	3.11	+134
Oil equivalent (\$/boe)	40.97	23.35	+75
Potash (\$/tonne)	131.54	147.91	-11

**Revenue** – Gross revenue for the first quarter increased 69% to \$21.8 million. The accompanying table demonstrates the net effect of price and volume variances on gross revenues.

<b>Gross Revenue Variances</b> (\$000s)	Three Months Ended Sept 30	
	<b>2003 vs. 2002</b>	2002 vs. 2001
Oil and NGLs		
Production increase (decrease)	<b>(1,057)</b>	1,099
Price increase (decrease)	<b>5,611</b>	123
Net increase (decrease)	<b>4,554</b>	1,222
Natural gas		
Production increase (decrease)	<b>378</b>	(245)
Price increase (decrease)	<b>3,917</b>	(7,124)
Net increase (decrease)	<b>4,295</b>	(7,369)
Other	<b>61</b>	(10)
Gross revenue increase (decrease)	<b>8,910</b>	(6,157)

**Royalty Expenses** – Royalty expenses, which are directly related to commodity prices and volumes, are 85% higher for the first quarter on a boe basis. As Freehold is a mineral title owner on most of its production, no royalty expense is incurred on the Trust's share of production from its royalty lands.

<b>Royalty Expenses</b> (\$000s, except as noted)	Three Months Ended		
	March 31		%
	<b>2003</b>	2002	Change
Working interest properties	<b>950</b>	513	+85
Per boe (\$)	<b>6.02</b>	3.09	+95
Royalty interest properties	<b>0</b>	0	-
Per boe (\$)	<b>0</b>	0	-
Total royalty expense (net of ARC)	<b>950</b>	513	+85
Per boe (\$)	<b>1.81</b>	0.94	+93

**Operating Expenses** – Operating expenses on working interest properties rose 25% per boe for the first quarter. Operating costs are up primarily due to the dramatic increase in purchased power costs experienced in the first quarter of 2003 compared with the same period last year. On a total Trust basis, operating expenses were 23% higher. Freehold does not incur operating expenses on its royalty lands.

<b>Operating Expenses</b> (\$000s, except as noted)	Three Months Ended		
	March 31		%
	<b>2003</b>	2002	Change
Working interest properties	<b>1,238</b>	1,038	+19
Per boe (\$)	<b>7.84</b>	6.26	+25
Royalty interest properties	<b>0</b>	0	-
Per boe (\$)	<b>0</b>	0	-
Total operating expenses	<b>1,238</b>	1,038	+19
Per boe (\$)	<b>2.35</b>	1.91	+23

**General and Administrative Expenses (G&A)** – Freehold incurs expenses to administer its royalty interests in more than 15,000 producing wells in western Canada. G&A expenses for the first quarter of 2003 were slightly higher on a boe basis due to lower production volumes versus the first quarter of 2002.

<b>G&amp;A Expenses</b> (\$000s, except as noted)	Three Months Ended		
	March 31		%
	<b>2003</b>	2002	Change
G&A expenses	<b>895</b>	911	-2
Per boe (\$)	<b>1.70</b>	1.67	+2

**Management Fees** – The Manager of the Trust receives its management fee in Trust Units. For the first quarter of 2003, the Manager received 22,500 Trust Units, with an ascribed value of \$265,000.

<b>Management Fees</b> (\$000s, except as noted)	Three Months Ended		
	March 31		%
	2003	2002	Change
Management fees	265	231	+15
Per boe (\$)	0.50	0.42	+19

**Netbacks** – Freehold's operating netback for the first quarter rose 79% to \$37.18 per boe, as a result of higher average selling prices. There are no major costs (i.e. drilling, operating, etc.) associated with the royalty lands, which results in a superior netback. The Trust's production remains unhedged; therefore Freehold received the full benefit of higher prices in the first quarter.

<b>Operating Netbacks</b> (\$/boe)	Three Months Ended		
	March 31		%
	2003	2002	Change
Gross revenue*	41.34	23.60	+75
Royalty expenses (net of ARC)	(1.81)	(0.94)	+93
Operating expenses	(2.35)	(1.91)	+23
Operating netback	37.18	20.75	+79

\*includes potash revenue, sulphur revenue and other

**Net Income, Cash Flow and Distributable Income** – Net income increased 186% to \$12.9 million versus \$4.5 million in the first quarter of 2002. Funds generated from operations (cash flow) rose 82%. Income available for distribution totalled \$17.0 million (\$0.56 per Trust Unit), 81% higher on a per unit basis. The Trust's distributable income to Unitholders was \$12.4 million (\$0.40 per Trust Unit). Royalty lands provided 89% of distributable income for the quarter.

**Liquidity and Capital Resources** – Interest expenses of \$240,000 million in the first quarter reflect higher interest rates partially offset by a \$12.5 million reduction in long-term debt since the end of 2002. On February 25, 2003, the Manager exercised 1,000,000 Trust Unit options of Freehold Royalty Trust under a previously approved grant of options. The proceeds of this exercise of \$9.2 million were used to pay down bank debt. As at March 31, 2003, Freehold had no short-term debt outstanding and long-term debt was \$17.5 million. The Trust's healthy financial condition is best demonstrated by the ratio of net debt (cash flow less positive working capital of \$9.4 million) to trailing cash flow, which at 0.1:1 is among the lowest in the energy trust sector.

**Capital Expenditures** – As the Trust does not incur capital expenditures to develop of its royalty properties, Freehold's capital requirements are relatively modest. Freehold's 2003 development expenditures for working interest properties will be roughly \$5.9 million, funded entirely from cash flow. Capital expenditures in the first quarter totalled \$1.2 million.

**Reclamation Fund** – To fund Freehold's ongoing environmental obligations on working interest lands, quarterly cash payments are made to a reclamation fund. For the first quarter of 2003, a total of \$75,000 (Q1 2002 – \$60,000) was paid into the reclamation account and \$3,000 in site restoration expense (Q1 2002 – \$29,000) was paid from the fund. The balance in the fund at the end of the quarter was \$1,082,000. No reclamation expenses are incurred on the royalty lands.

## Development Activities

**Royalty Lands** – Industry operators drilled 142 (4.1 net) wells on Freehold's royalty lands in the first quarter, compared with 224 (2.5 net) wells in the first quarter of 2002. There are currently 51 (2.8 net) drilling locations planned on Freehold's royalty lands.

**Working Interest Properties** – In the first quarter, Freehold spent \$1.2 million to participate in the drilling of 39 (1.9 net) wells. Two (0.5 net) wells were drilled at Hayter, where Freehold owns 48.5% of the mineral title as well as a 23.5% working interest. Up to 10 wells (2.4 net) are planned at Hayter for the remainder of 2003. During the first quarter, eleven (1.1 net) infill wells were drilled at Pembina Cardium Unit #9 (PCU #9) located in Alberta, where Freehold has a 0.6% royalty interest and a 9.9% working interest. An additional 16 wells (1.6 net) are planned at PCU #9 this year. Due to the increased activity at PCU #9, the 2003 capital forecast has been increased from \$4.6 million to \$5.9 million.

Wells Drilled	Three Months Ended		
	March 31		%
	2003	2002	Change
Royalty lands (includes unitized wells)	142	224	-37
Working interest properties	39	25	+56
Total wells (gross)	181	249	-27
Total wells (net)	6.0	3.0	+100

## Outlook

The Canadian Association of Oilwell Drilling Contractors forecasts an 11% increase in industry drilling in 2003, approaching the number of wells drilled in 2001, which was a record year. This industry activity will increase competition for oilfield goods and services and may cause drilling and operating costs to increase. Freehold should benefit from increased industry drilling activity as drilling on our royalty lands generally mirrors industry levels. The Trust will be somewhat sheltered from the effects of increased costs as the majority of production comes from our royalty lands, which is not subject to operating and capital costs or abandonment facilities.

High commodity prices through the latter part of 2002 continued through the first quarter of 2003, largely owing to low North American crude stocks and a war premium for oil due to the U.S.-led military action against Iraq. We believe these high prices are not sustainable. We anticipate that stability will return to the political climate with respect to energy supply and oil prices will weaken as the year progresses. Our view is that WTI crude oil will average US\$27.25 for 2003. There is a potential negative impact of a strengthening in the Canadian dollar since oil is priced in U.S. dollars. Freehold's distribution sensitivity to every \$0.01 change in the exchange rate is \$0.03 per Trust Unit. We expect the Trust's light/heavy oil differential will average \$9.50 per barrel in 2003.

Our view of supply and demand fundamentals in the North American energy markets is that natural gas has a greater stability in terms of short-term pricing as there is a shortage of natural gas production and natural gas storage levels are low. Consequently, we believe that the price of natural gas will average \$6.00 per mcf for 2003.

We remain confident that our volumes will average 5,800 boe per day for the year, given the activity levels on our lands to date. Based on the following assumptions, we estimate that cash distributions for the year 2003 will total \$1.50 per Trust Unit, up from our previous estimate of \$1.40. The Board of Directors will evaluate the distribution outlook throughout the year and we will provide additional guidance as warranted.

Distribution Outlook	May 7, 2003	February 20, 2003
<b>2003 Assumptions</b>		
Average daily production (boe/d), excluding acquisitions	5,800	5,800
Average WTI oil price (US\$/bbl)	27.25	25.00
Average AECO natural gas price (C\$/mcf)	6.00	5.00
Average light/heavy oil price differential (C\$/bbl)	9.50	8.00
Average Canadian/US dollar exchange rate	0.68	0.638
<b>Estimated cash distributions (\$ per Unit)</b>	<b>1.50</b>	<b>1.40</b>

It is expected that approximately 60% to 65% of distributable income will be taxable to Unitholders in 2003.

The regular monthly distribution remains set at \$0.10 per Trust Unit, which we believe is sustainable for the balance of the year. As in the past, a portion of any excess income available for distribution will be directed toward repayment of long-term debt and/or working capital improvement and extra distributions may be declared from time to time at the discretion of the Board of Directors. We caution that significant changes in production rates or commodity prices (positive or negative) will result in adjustments to the distribution level. Freehold is particularly vulnerable to swings in the light/heavy oil price differential, as approximately 35% of our total boe production is heavy oil. An analysis of the potential impact of key variables on distributable income can be found on page 25 of the Trust's 2002 annual report to Unitholders.

As demonstrated by our solid first quarter results, the Trust's lower-cost structure continues to provide superior netbacks to Unitholders. We are actively seeking opportunities to augment our production and reserves through the purchase of producing properties, with a bias towards royalty interests. The strong demand for natural gas production and reserves is expected to result in a high level of corporate and asset transactions as buyers strive to increase their natural gas assets and sellers take advantage of high transaction prices. We believe ongoing industry consolidation will create acquisition opportunities that are attractive to the Trust. Our strong balance sheet leaves us well positioned to take advantage of opportunities as they arise.

On behalf of the Board of Directors  
of Freehold Resources Ltd.,

(Signed)  
David J. Sandmeyer  
President & Chief Executive Officer

May 7, 2003

**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, 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 and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Freehold will derive therefrom. Freehold disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**Supplemental Disclosure** – Distributable income, income available for distribution and cash on cash yield are not recognized measures under Canadian generally accepted accounting principles. Management believes that in addition to net income and net income per Trust Unit, distributable income and income available for distribution are useful supplemental measures as they provide investors with information on cash available for distribution. Cash on cash yield is a useful and widely used supplemental measure that provides investors with information on cash actually distributed relative to trading price. Investors are cautioned that distributable income, income available for distribution and cash on cash yield should not be construed as an alternate to net income as determined by Canadian generally accepted accounting principles. Investors are also cautioned that cash on cash yield represents a blend of return of investors initial investment and a return on investors initial investment and is not comparable to traditional yield on debt instruments where investors are entitled to full return of the principal amount of debt on maturity in addition to a return on investment through interest payments.

## Combined Balance Sheets

(\$000s)	March 31 2003	December 31 2002
	(Unaudited)	
<b>Assets</b>		
Current assets:		
Cash	\$ 59	\$ 316
Accounts receivable	15,581	13,443
	<b>15,640</b>	13,759
Reclamation fund	1,082	1,006
Petroleum and natural gas interests, net of accumulated depletion and depreciation of \$137,356 (2002 – \$132,399)	205,835	209,557
	<b>\$ 222,557</b>	\$ 224,322
<b>Liabilities and Unitholders' Equity</b>		
Current liabilities:		
Distributions payable to Unitholders	\$ 3,126	\$ 3,020
Accounts payable and accrued liabilities	3,141	2,819
	<b>6,267</b>	5,839
Provision for future site restoration	1,440	1,353
Long-term debt (note 2)	17,500	30,000
Future income tax liability	1,770	1,650
Unitholders' equity (note 3)	195,580	185,480
	<b>\$ 222,557</b>	\$ 224,322

## Combined Statements of Unitholders' Equity

(\$000s)	Three Months Ended March 31 2003	Year Ended December 31 2002
	(Unaudited)	
Unitholders' equity, beginning of period	\$ 185,480	\$ 196,442
Net income	12,933	27,557
Distributions to Unitholders	(12,398)	(39,530)
Issue of new Trust Units	9,565	1,011
Unitholders' equity, end of period	<b>\$ 195,580</b>	\$ 185,480

## Combined Statements of Income

(\$000s, Except per Unit Data)	Three Months Ended March 31	
	2003 (Unaudited)	2002 (Unaudited)
Revenue:		
Royalty income and working interest sales	\$ 21,754	\$ 12,844
Royalty expense (net of ARC)	(950)	(513)
	<b>20,804</b>	12,331
Other expenses:		
Operating	1,238	1,038
General and administrative	895	911
Interest on long-term debt	240	238
Capital taxes and other expenses	66	34
	<b>2,439</b>	2,221
Funds generated from operations	<b>18,365</b>	10,110
Depletion and depreciation	4,957	5,279
Provision for future site restoration	90	80
Management fee	265	231
Net income before income taxes	<b>13,053</b>	4,520
Future income tax provision	120	-
Net income	\$ <b>12,933</b>	\$ 4,520
Net income per Trust Unit, basic and diluted	\$ <b>0.42</b>	\$ 0.15

## Combined Statements of Cash Flows

(\$000s)	Three Months Ended March 31	
	2003 (Unaudited)	2002 (Unaudited)
Cash provided by (used in):		
Operating:		
Net income	<b>\$ 12,933</b>	\$ 4,520
Items not involving cash:		
Depletion and depreciation	<b>4,957</b>	5,279
Future income tax provision	<b>120</b>	-
Provision for future site restoration	<b>90</b>	80
Trust Units issued in lieu of management fee	<b>265</b>	231
Funds generated from operations	<b>18,365</b>	10,110
Changes in non-cash working capital	<b>(1,816)</b>	(1,809)
	<b>16,549</b>	8,301
Financing:		
Trust Units issued upon exercise of options	<b>9,300</b>	-
Long-term debt	<b>(12,500)</b>	-
Distributions paid	<b>(12,292)</b>	(7,833)
	<b>(15,492)</b>	(7,833)
Investing:		
Development expenditures	<b>(1,235)</b>	(560)
Site reclamation fund contributions	<b>(79)</b>	(60)
	<b>(1,314)</b>	(620)
Decrease in cash	<b>(257)</b>	(152)
Cash, beginning of period	<b>316</b>	260
Cash, end of period	<b>\$ 59</b>	\$ 108

## Notes to Interim Combined Financial Statements

For the period ended March 31, 2003

### 1) Significant Accounting Policies

The interim combined financial statements of Freehold Royalty Trust "the Trust" have been prepared by management in accordance with accounting principles generally accepted in Canada. The interim combined financial statements have been prepared following the same accounting policies and methods of computation as the combined financial statements for the fiscal year ended December 31, 2002. The interim combined financial statements should be read in conjunction with the combined financial statements and the notes thereto in the Trust's annual report for the year ended December 31, 2002.

### 2) Long-Term Debt

The Trust has a \$50.0 million committed production facility on which \$17.5 million was drawn at March 31, 2003. The facility is structured as a one-year committed revolving credit facility, extendible annually. In the event that the lender does not consent to such extension, the revolving credit facility will revert to a three-year, non-revolving amortizing term loan with equal quarterly principal repayments. At March 31, 2003, the entire amount outstanding under the production facility is presented as long-term based on the Trust's ability to refinance this amount with the undrawn portion of the facility. Borrowings under the facility bear interest at the Bank's prime lending rate, bankers' acceptance or LIBOR rates plus applicable margins, ranging from 90 to 165 basis points.

In addition, the Trust has available a \$15.0 million demand operating facility and a U.S. \$10.0 million swap facility which was unused at March 31, 2003. Borrowings under these facilities bear interest at the Bank's prime lending rate.

### 3) Unitholders' Equity

The total outstanding Trust Units at March 31, 2003 were 31,256,736 (2002 – 30,135,000). The weighted average number of Trust Units outstanding for the quarter ended March 31, 2003 was 30,621,875 (2002 – 30,129,300).

During the quarter the Trust issued 22,500 Trust Units in payment for the management fee to Rife Resources Management Ltd. Also during the quarter 1,009,000 Trust Unit options were exercised. At March 31, 2003, 130,000 Trust Unit options were outstanding, all with an exercise price of \$9.24 and an expiry date of November 14, 2006. There was no significant impact on the current period financial statements as a result of the Trust Unit Option Plan.

For the quarter ended March 31, 2003, the Manager charged the Trust \$689,000 in general and administrative costs. At March 31, 2003 there was \$370,000 in accounts payable relating to these costs. The Manager also earns a fee of 1.5% of the purchase price of oil and gas properties acquired by Freehold. There were no acquisitions during the quarters ended March 31, 2003 and 2002.

### 4) Combined Statements of Distributable Income

(\$000s, Except per Unit Data)	Three Months Ended March 31	
	2003	2002
	(Unaudited)	(Unaudited)
Funds generated from operations	\$ 18,365	\$ 10,110
Deduct:		
Site reclamation fund contributions	(79)	(60)
Provision for capital expenditures	(1,250)	(600)
Income available for distribution	\$ 17,036	\$ 9,450
Per Trust Unit	\$ 0.56	\$ 0.31
Debt repayment	(3,200)	-
Working capital change	(1,438)	(2,219)
Distributable income	\$ 12,398	\$ 7,231
Per Trust Unit	\$ 0.40	\$ 0.24

## Corporate Information

### Directors

**D. Nolan Blades**<sup>1, 2</sup>  
President  
Sunny Gables Holdings Ltd.

**Harry S. Campbell, Q.C.**  
Managing Partner  
Burnet, Duckworth & Palmer, LLP

**Tullio Cedraschi**  
President & C.E.O.  
CN Investment Division

**Peter T. Harrison**<sup>1</sup>  
Senior Vice-President,  
Montrusco Bolton Inc.

**Dr. P. Michael Maher**<sup>1, 2</sup>  
Professor, Haskayne School of Business  
University of Calgary

**David J. Sandmeyer**  
President  
Rife Resources Ltd.

**William W. Siebens**<sup>2</sup>  
President & C.E.O.  
Candor Investments Ltd.

<sup>1</sup> Audit Committee  
<sup>2</sup> Corporate Governance &  
Nominating Committee

### Unitholder Services

Registered Unitholders should contact the Transfer Agent regarding distribution payments, Trust Unit certificates, change of address/duplicate mailings, and Unitholder Plans (direct deposit, distribution reinvestment, and U.S. currency payments):

Computershare Trust Company of Canada  
600, 530 – 8<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 3S8  
Telephone: 1-888-267-6555  
Fax: (403) 267-6598  
Contact: Laura Leong  
Email: laura.leong@computershare.com  
Website: www.computershare.com

### 2003 Cash Distributions

Record Date	Payment Date	Per Trust Unit
December 31, 2002	January 15, 2003	\$0.10
January 31, 2003	February 15, 2003	\$0.10
February 28, 2003	March 15, 2003	\$0.20*
March 31, 2003	April 15, 2003	\$0.10
April 30, 2003	May 15, 2003	\$0.10
May 31, 2003	June 15, 2003	\$0.30*

\*payment includes quarterly top-up

### Taxability of Distributions

Cash distributions received in 2002 were 58% taxable to Unitholders as other income and 42% were tax deferred (return of capital). Freehold estimates that approximately 60% to 65% of distributions paid in 2003 will be taxable to Unitholders. Further information is available on Freehold's website or by contacting Freehold.

### Officers

**William W. Siebens**  
Chairman

**David J. Sandmeyer**  
President & C.E.O.

**J. Frank George**  
Vice-President, Exploitation

**Joseph N. Holowisky**  
Vice-President, Finance/Administration  
& C.F.O. and Secretary

**William O. Ingram**  
Vice-President, Production

**Michael J. Okrusko**  
Vice-President, Land

### Head Office

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**Freehold Royalty Trust**  
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Calgary, Alberta T2P 3N4  
Telephone: (403) 221-0802  
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### Investor Relations

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Manager, Investor Relations  
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### Website

www.freeholdtrust.com

### Stock Exchange Listing

Toronto Stock Exchange  
Trading Symbol: FRU.UN

### First Quarter Trading Summary

High – \$11.85  
Low – \$10.50  
Close – \$11.78  
Volume (000s) – 3,025

### Trustee & Transfer Agent

Computershare Trust Company of Canada  
Calgary, Alberta  
Toronto, Ontario

### Legal Counsel

Burnet Duckworth & Palmer, LLP  
Calgary, Alberta

### Auditors

KPMG, LLP  
Calgary, Alberta

### Banker

Canadian Imperial Bank of Commerce  
Calgary, Alberta

### Evaluation Engineers

Trimble Engineering Associates Ltd.  
Calgary, Alberta