

NEWS RELEASE

TSX: FRU.UN

Freehold Royalty Trust Announces \$8.5 Million Acquisition of Royalty Interests

CALGARY, Alberta/July 7, 2008/Marketwire/ - Freehold Royalty Trust ("Freehold") today announced that it has entered into an agreement to acquire certain royalty interests in Alberta for \$8.5 million, prior to closing adjustments. The acquisition closed on July 7, 2008 and is effective June 1, 2008. The acquisition was funded through Freehold's existing credit facilities.

These properties include royalties in units at Seven Persons, Bellshill Lake, Viking Kinsella, Beaverhill Lake and Plain, as well as royalty interests in oil and natural gas properties at Medicine Hat, Killam, Wainwright, Viking Kinsella and Skaro/Redwater. The properties are expected to add approximately 74 barrels of oil equivalent (boe) per day to Freehold's production base effective July 7, 2008 (50 barrels of oil per day and natural gas production of 147 Mcf per day).

Proved plus probable reserves attributed to the properties were evaluated effective December 31, 2007 by an independent reserves evaluator at 202,000 boe. Based on the post close forecast production, the reserve life index is approximately 6.0 years.

The acquisition of these properties supports Freehold's strategy of acquiring royalty interests. As there are no operating and capital costs or third party royalties associated with the royalty production acquired, this production receives high netbacks. The estimated cash flow will be approximately \$1.3 million for the remainder of 2008. 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 25,000 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.

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