

NEWS RELEASE

FRU.UN

Freehold Royalty Trust Announces Closing of Previously Announced Equity Financing

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CALGARY, Alberta, May 10, 2005 – Freehold Royalty Trust ("Freehold" or the "Trust") (TSX:FRU.UN) announced today the closing of its previously announced "bought deal" financing. At closing, Freehold issued a total of 13,505,000 subscription receipts (the "Subscription Receipts") at a price of \$15.55 per Subscription Receipt for gross proceeds of approximately \$210 million. The Subscription Receipts are listed for trading on the TSX under the symbol "FRU.R".

Each Subscription Receipt represents the right to receive one Freehold trust unit upon the completion of the previously announced acquisition of Petrovera Resources, a partnership with royalty interest production and related assets (the "Acquisition"). The Acquisition is expected to close by the end of the day on May 10, 2005, with an effective date of January 1, 2005. The gross proceeds from the offering of Subscription Receipts have been deposited in escrow pending closing of the Acquisition. If the Acquisition closes on or before May 26, 2005, the gross proceeds of the offering will be released to Freehold and used to finance a portion of the purchase price of the Acquisition. If the Acquisition fails to close by May 26, 2005, the Acquisition is terminated at any earlier time or Freehold has advised the underwriters or announced to the public that it does not intend to proceed with the Acquisition, Freehold will return to holders of Subscription Receipts the issue price and their pro rata entitlement to interest thereon.

Freehold is a Calgary-based oil and gas royalty trust that provides monthly cash distributions to Unitholders. Monthly distributions are supplemented by quarterly top-ups when excess funds are available. More than 85% of distributions to Unitholders comes from mineral title and gross overriding royalties, the majority of which Freehold owns in perpetuity. Freehold currently has an interest in over 17,000 oil and gas wells in western Canada. The Trust Units trade on the Toronto Stock Exchange in Canada under the symbol FRU.UN.

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