

NEWS RELEASE

Freehold Royalty Trust Announces Cash Distribution for October 15, 2004

CALGARY, Alberta, September 20, 2004 /CCN/ - Freehold Royalty Trust ("Freehold") (TSX: FRU.UN) announces that the regular monthly cash distribution in the amount of Cdn \$0.12 (twelve cents) per Trust Unit will be paid on October 15, 2004 to Unitholders of record on September 30, 2004 (ex-distribution date September 28, 2004). Including the October 15, 2004 payment, the twelve-month trailing cash distributions total Cdn \$1.64 per Trust Unit.

For Canadian tax purposes, Freehold estimates that cash distributions paid to Unitholders during the 2004 taxation year will be approximately 25% tax deferred ("return of capital") and approximately 75% taxable ("other income").

Freehold is an 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 16,000 wells in western Canada. 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, 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 so, what benefits Freehold will derive from them. 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.

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