

The image is a promotional graphic for the Freehold Royalty Trust's 10th anniversary investor roadshow. It features a large orange rectangle on the left with the company name and anniversary text. On the right, a dark grey vertical bar contains a list of cities and dates, with a background image of an oil pumpjack.

**Freehold**  
ROYALTY TRUST

Celebrating 10 years

THE ROYALTY ADVANTAGE

**Vancouver**  
November 21

**Victoria**  
November 22

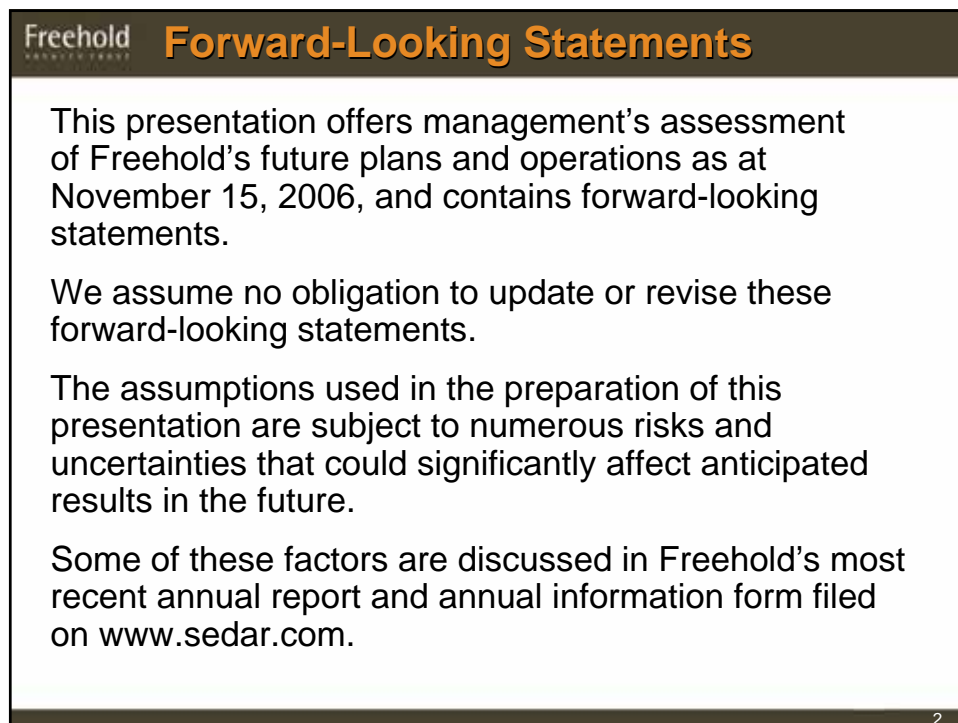
**Kelowna**  
November 23

**Toronto**  
November 30

**Montreal**  
December 1

**Calgary**  
December 5

**Winnipeg**  
December 7



The image is a slide titled "Freehold Forward-Looking Statements". It contains four paragraphs of text explaining the nature of the presentation's forward-looking statements, the lack of obligation to update them, the risks involved, and where to find more information.

**Freehold**  
ROYALTY TRUST

**Forward-Looking Statements**

This presentation offers management's assessment of Freehold's future plans and operations as at November 15, 2006, and contains forward-looking statements.

We assume no obligation to update or revise these forward-looking statements.

The assumptions used in the preparation of this presentation are subject to numerous risks and uncertainties that could significantly affect anticipated results in the future.

Some of these factors are discussed in Freehold's most recent annual report and annual information form filed on [www.sedar.com](http://www.sedar.com).

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**Freehold** **Agenda**

**Bill Ingram**  
*Vice-President, Production*

- Trust overview
- Asset review

**Joe Holowisky**  
*Vice-President, Finance & Administration,  
Chief Financial Officer and Secretary*

- Financial review
- Impact of the distribution tax

**Questions**

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**Freehold** **What Differentiates Freehold?**

- 1** Pure Play: royalty advantage yields superior netbacks
- 2** Diversified asset base and revenue stream
- 3** Stable, long-life reserves, excellent growth potential
- 4** Conservative management, focused on delivering value to Unitholders

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**Freehold** **Freehold: A Piece of Canadian History**

*Typical configuration of HB Lands after Confederation*

**1670** Company of Adventurers      **1973** Siebens Oil & Gas Ltd.  
**1867** Confederation                      **1979** Canpar Holdings Ltd.  
**1926** Hudson's Bay Company      **1996** Freehold Royalty Trust

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**Freehold** **Governance**

**Board of Freehold Resources Ltd.**

- 7 directors; majority are independent
- Independent board chair
- Independent committee chairs

*Top:* William Siebens  
(Chair of the Board)

*Middle:* Nolan Blades  
Harry Campbell  
Tullio Cedraschi

*Bottom:* Peter Harrison  
Michael Maher  
David Sandmeyer  
(President & CEO)

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**Freehold** **The Manager**

**Rife Resources Management Ltd.**

- Owned by CN Pension Trust Funds
- Manages production of 23,000 boe/d
  - On behalf of Freehold, Rife Resources and Canpar Holdings
- Management fee paid in Trust Units
  - 35,654 Trust Units per quarter
- Experienced management team
  - Senior management 20+ years with Rife



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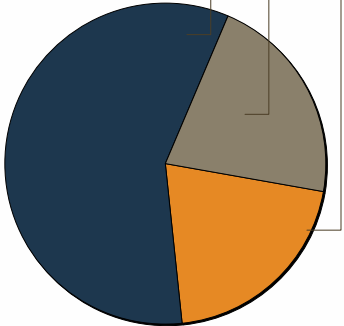
**Freehold** **Ownership**

**49 million Trust Units outstanding**

- Largest holder: CN Pension Funds (21%)

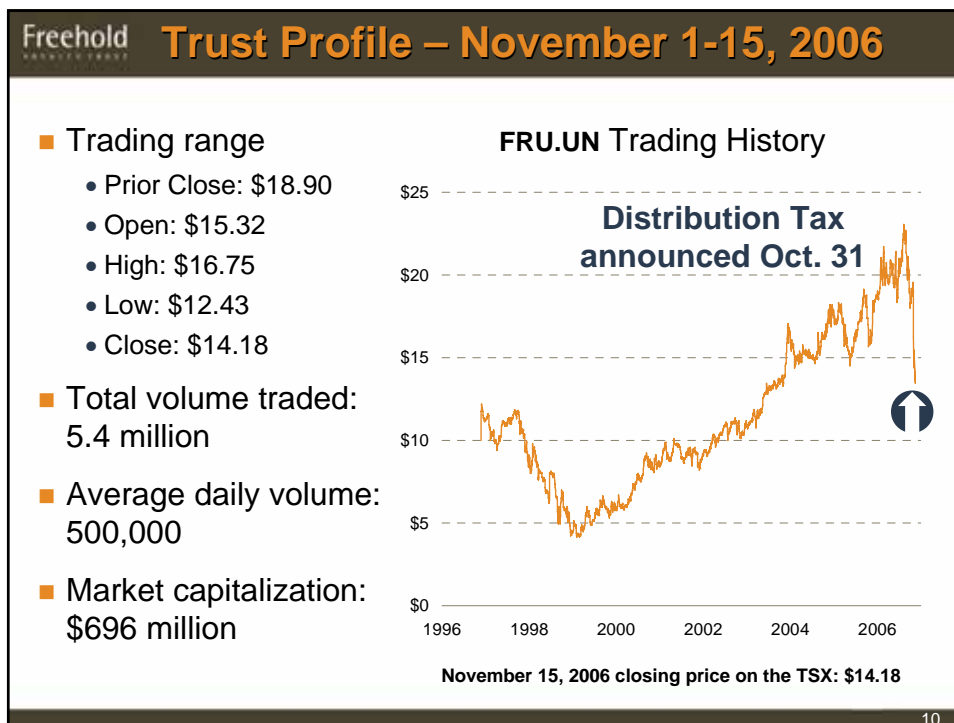
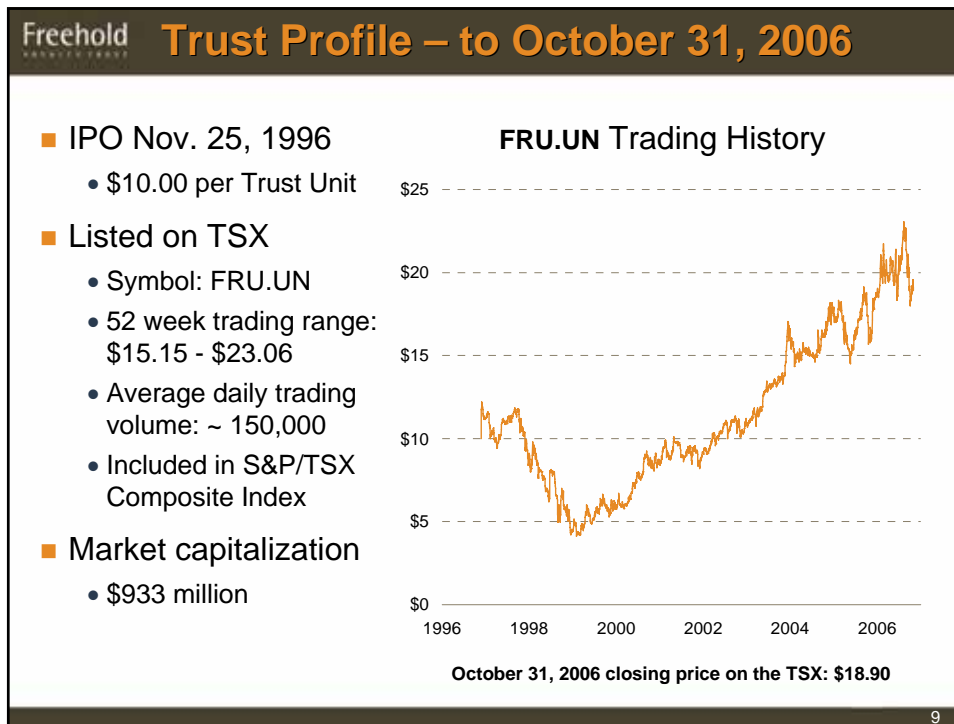
**Ownership**

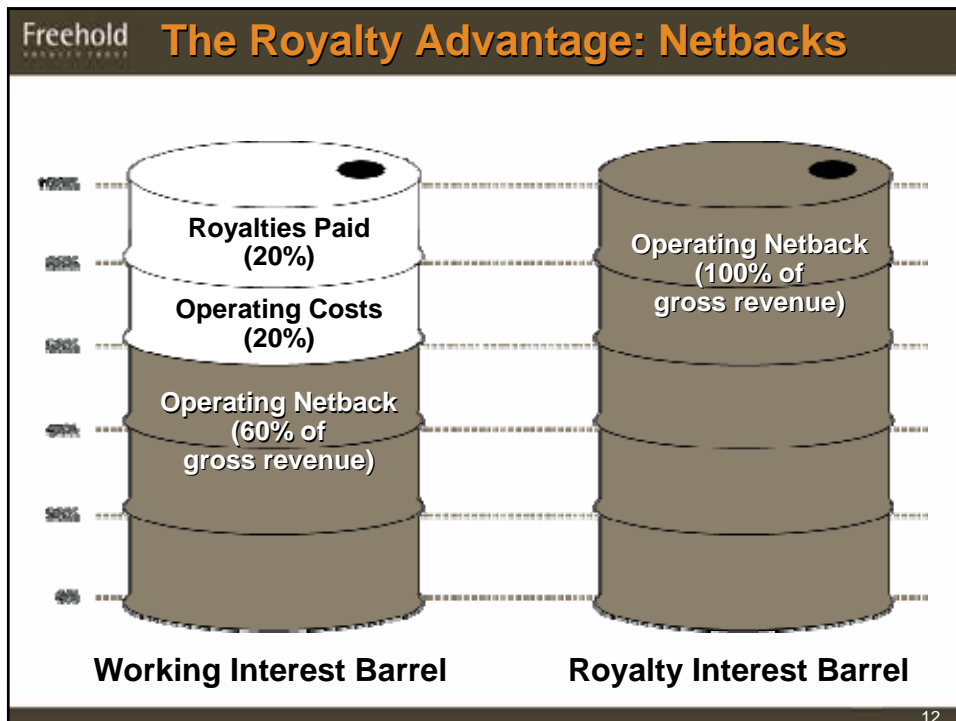
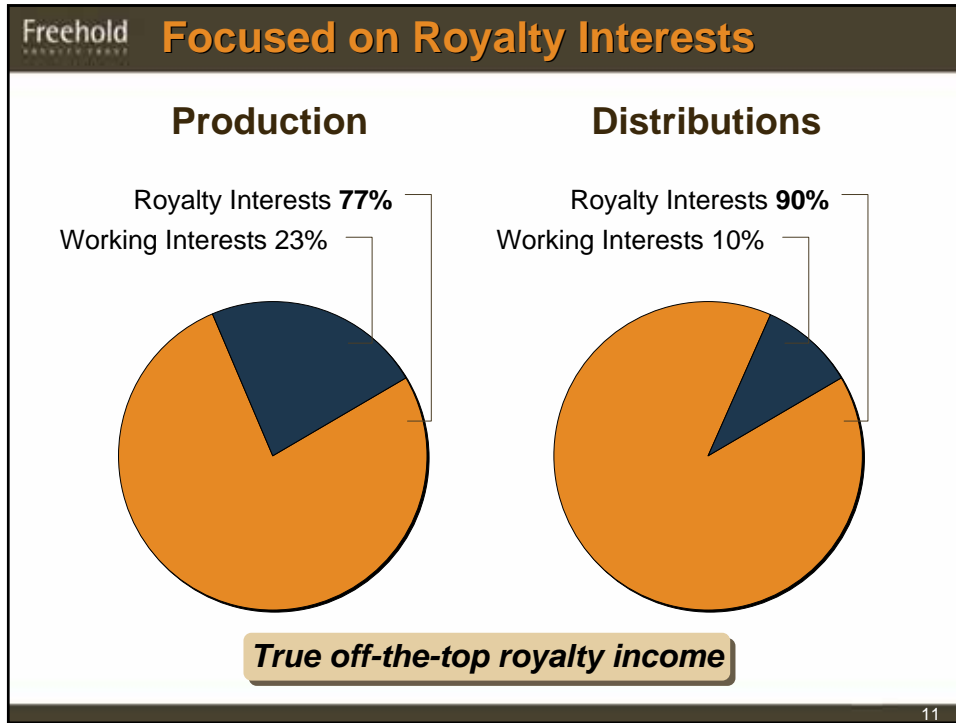
- ~ 65% institutions, 35% individuals
- ~ 79% Canadian, 21% non-resident

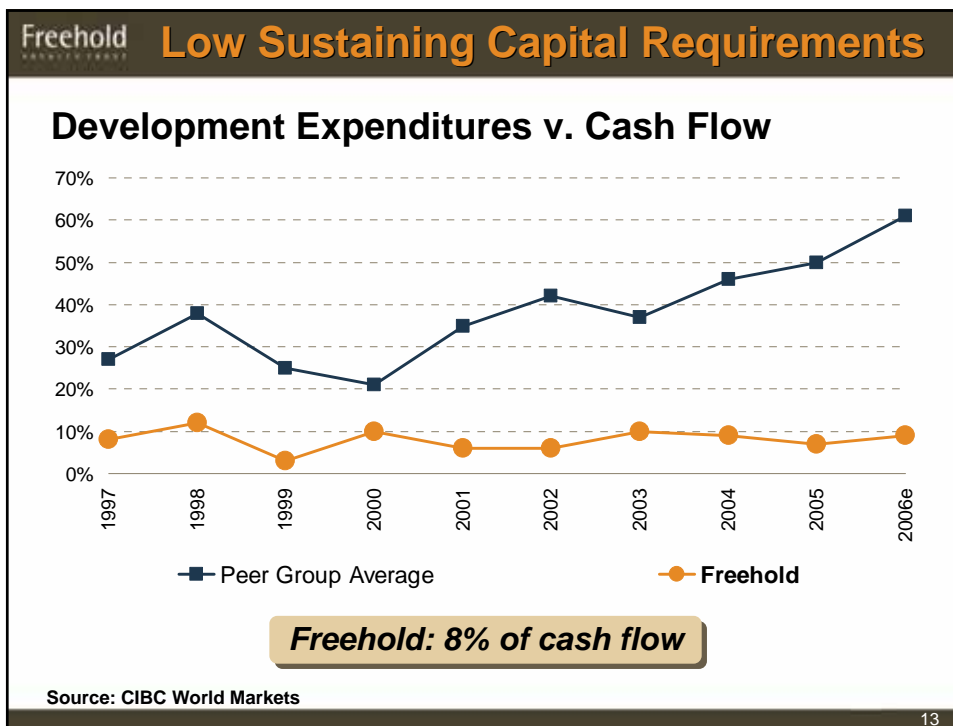


Category	Percentage
Other Canadian	58%
CN Pension Trust Funds	21%
Non-residents	21%

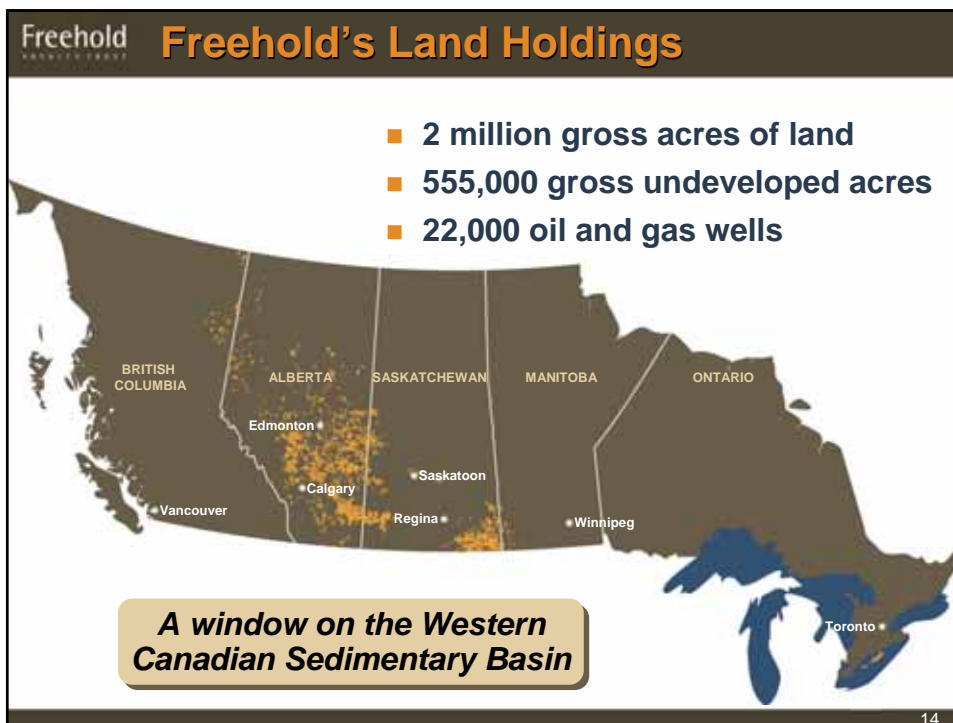
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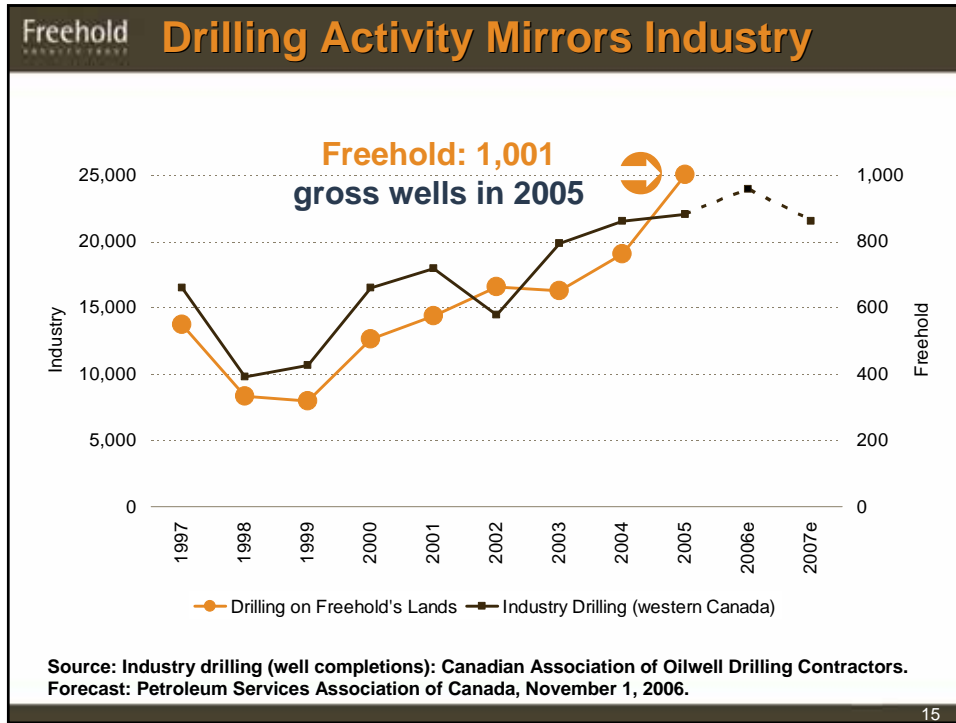




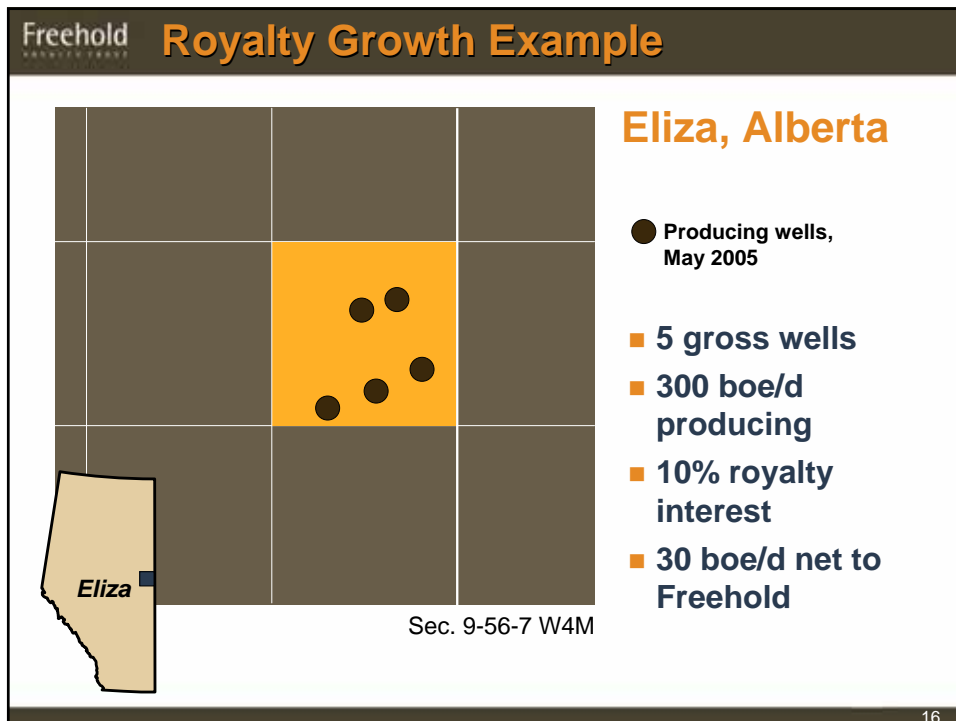
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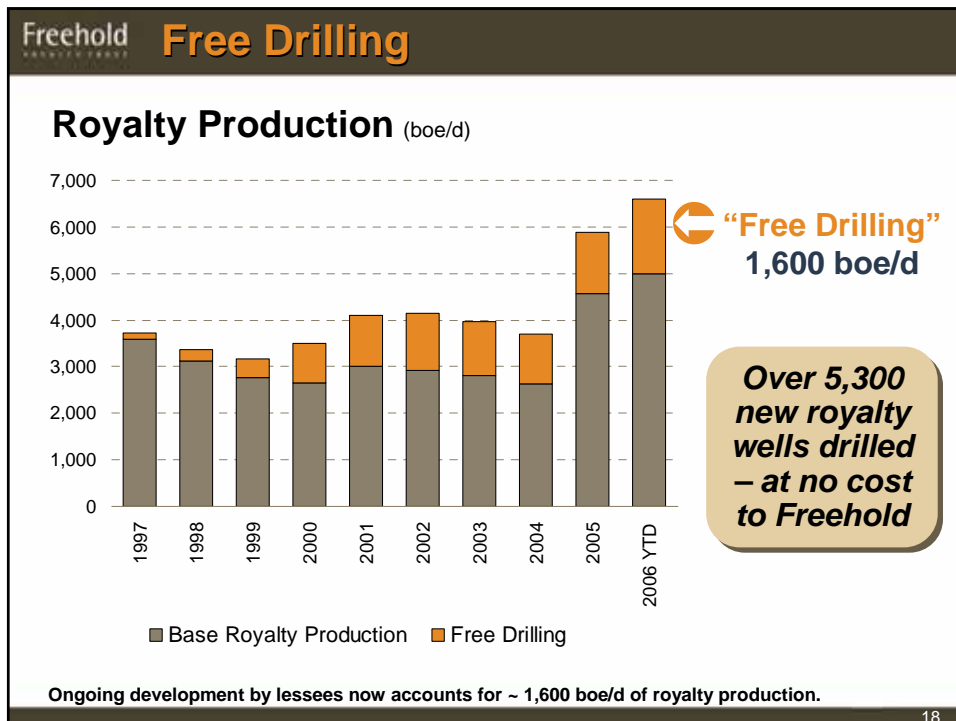
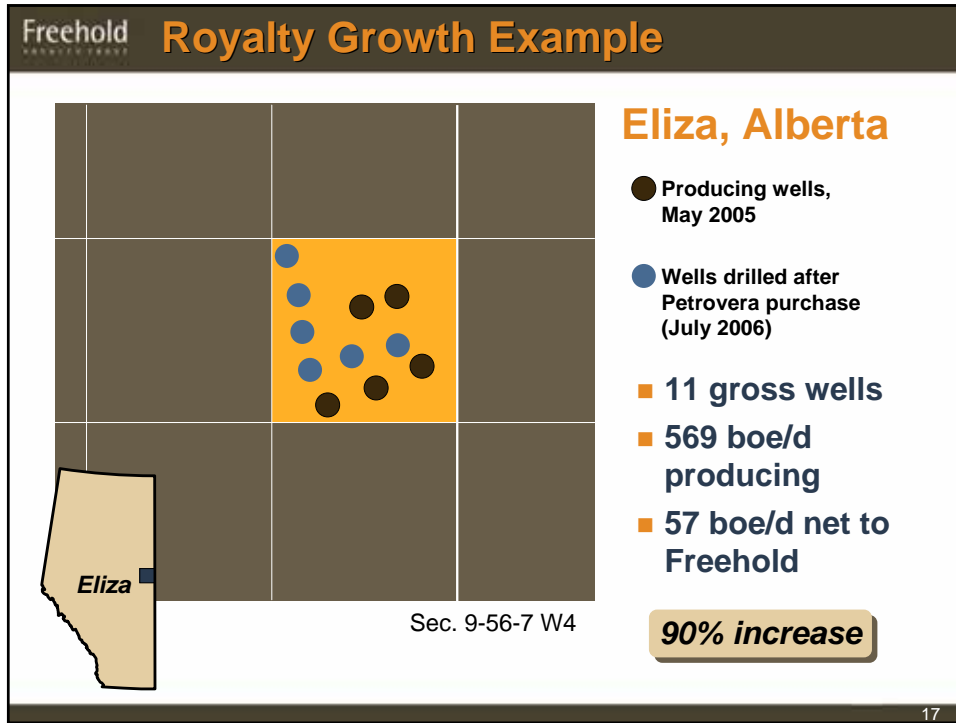
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**Freehold** **Acquisition Strategy**

**Acquire high-quality assets**

- Accretive on a per Trust Unit basis
- Targeting royalty production
- Must be the right kind of asset, at an appropriate price

**Solid track record  
of quality acquisitions**

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**Freehold** **2006 Working Interest Focus Areas**

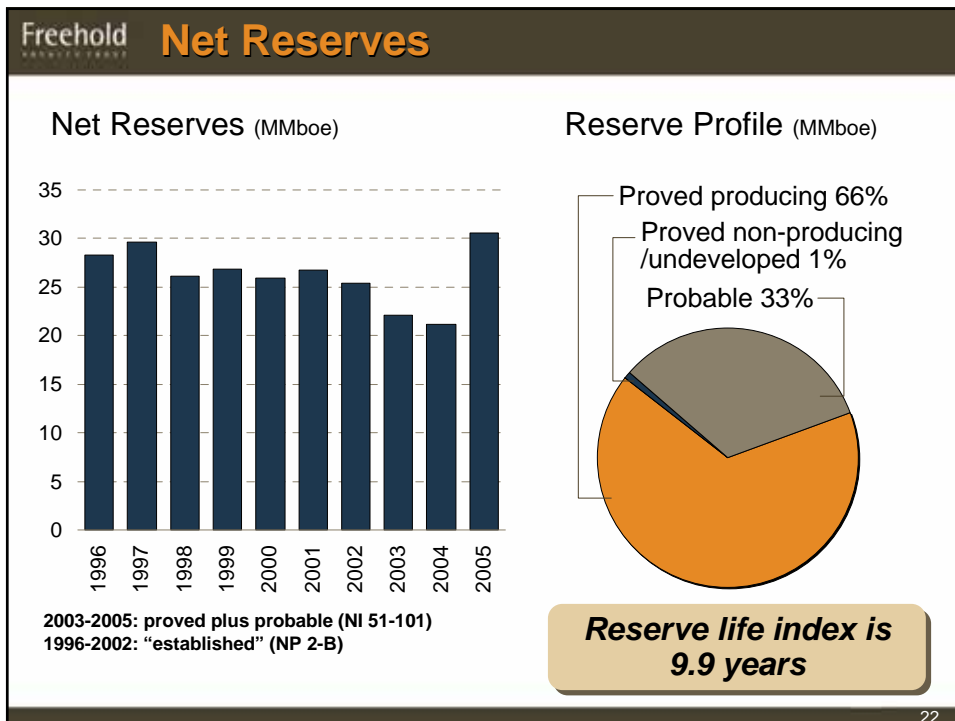
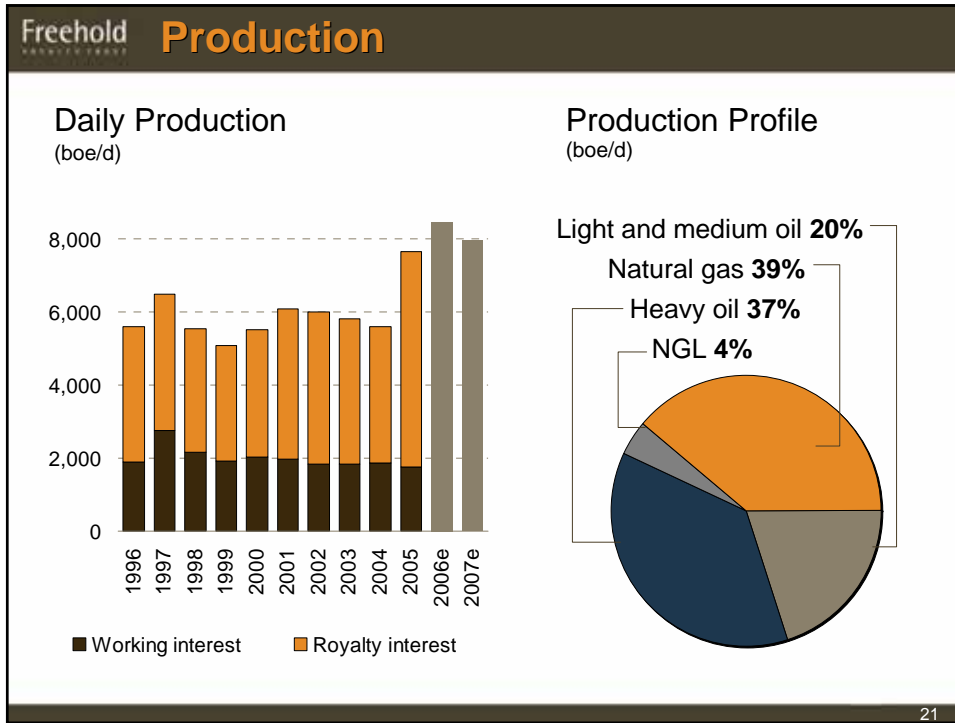
**Working interests in 90 properties**

- 23% of total production volumes
- 10% of distributions

**2006 Capital Program**

- \$11 million
  - Hayter
  - Southeast Saskatchewan

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# Freehold

ROYALTY TRUST

## FINANCIAL REVIEW

**Joe Holowisky**  
Vice President, Finance & Administration,  
Chief Financial Officer and Secretary



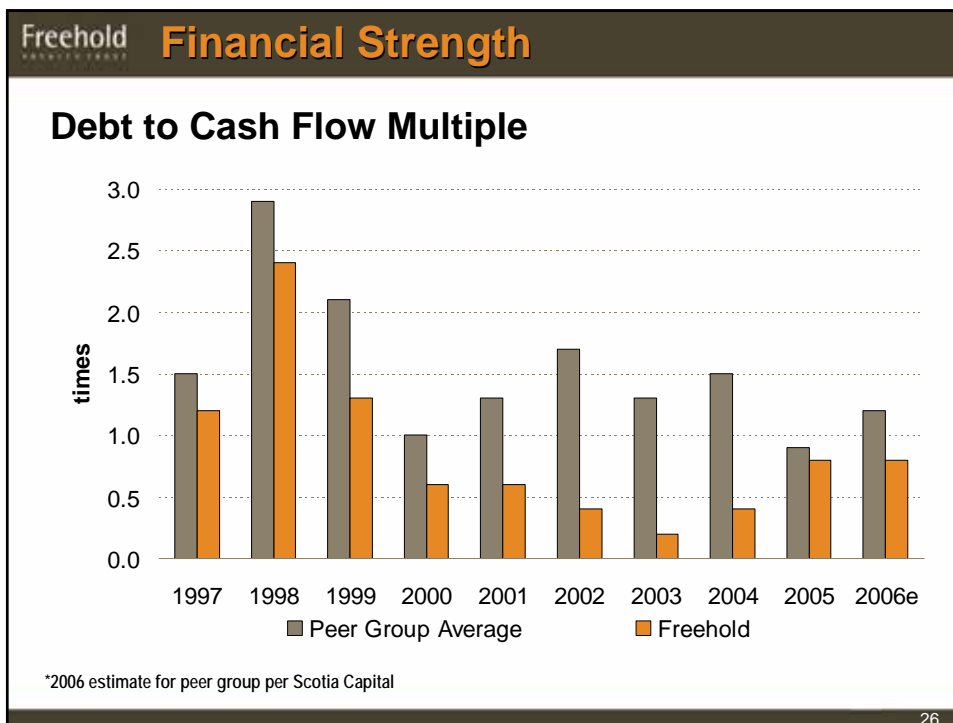
### Freehold Top Royalty Payors



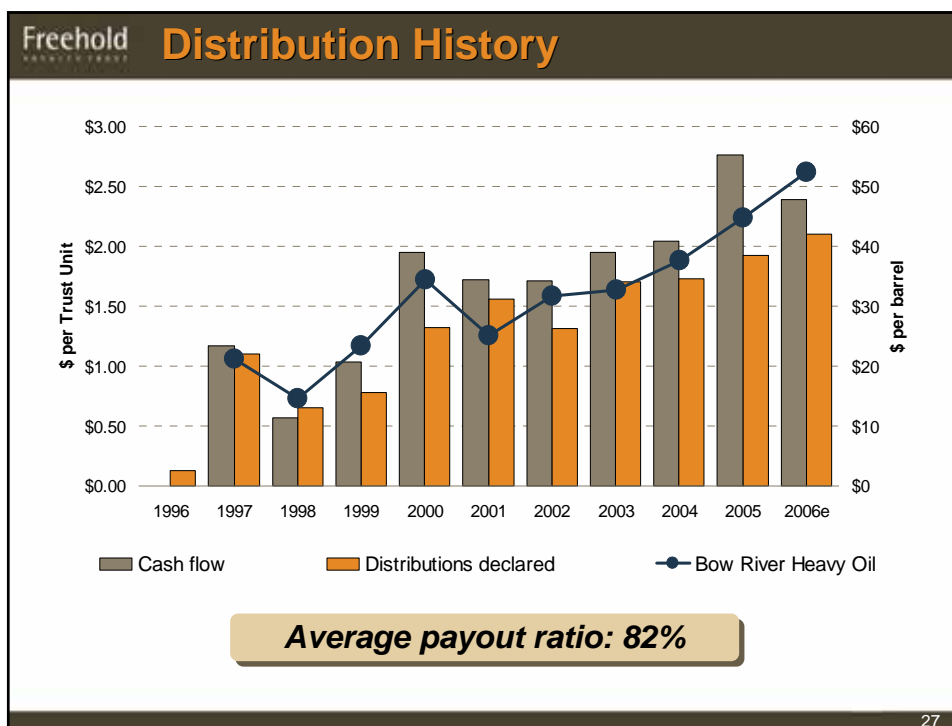
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Freehold <b>2006 Year-to-Date Results</b>			
Nine months ended Sept. 30	2006	2005	Change
Average daily production (boe/d)	<b>8,445</b>	7,264	↑ 16%
Average price realizations (\$/boe)	<b>47.61</b>	45.92	↑ 4%
Gross revenue (\$000s)	<b>110.9</b>	92.4	↑ 20%
Cash flow (\$000s)	<b>92.5</b>	79.3	↑ 17%
Distributions to Unitholders (\$000s)	<b>79.5</b>	53.4	↑ 49%
Per Trust Unit (\$/unit)	<b>1.62</b>	1.28	↑ 27%
Long-term debt (\$000s)	<b>98.0</b>	118.0	↓ 17%

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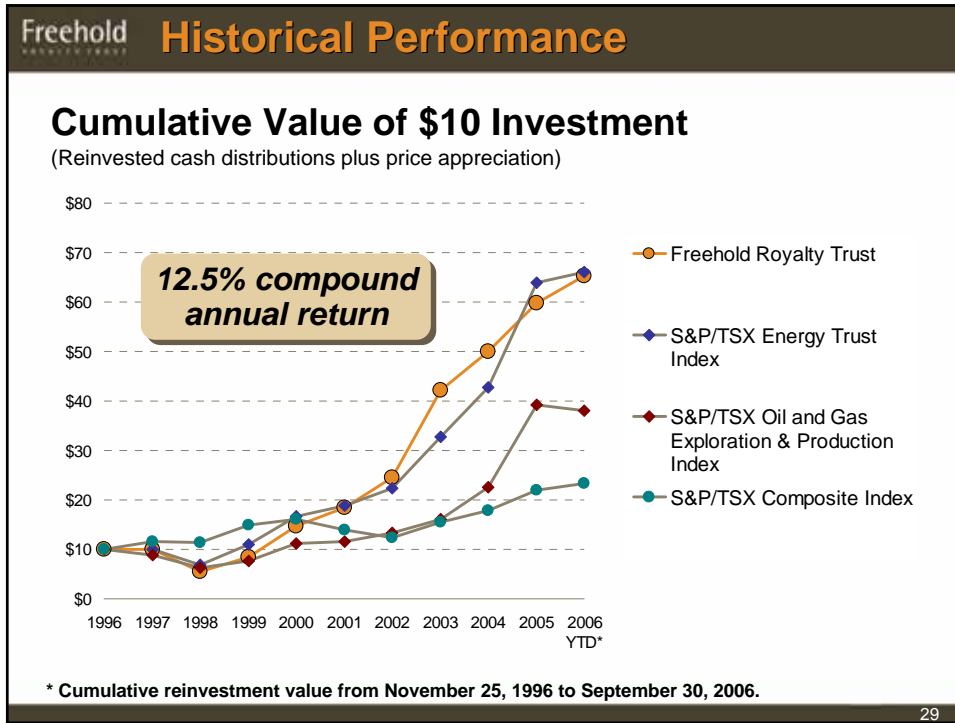


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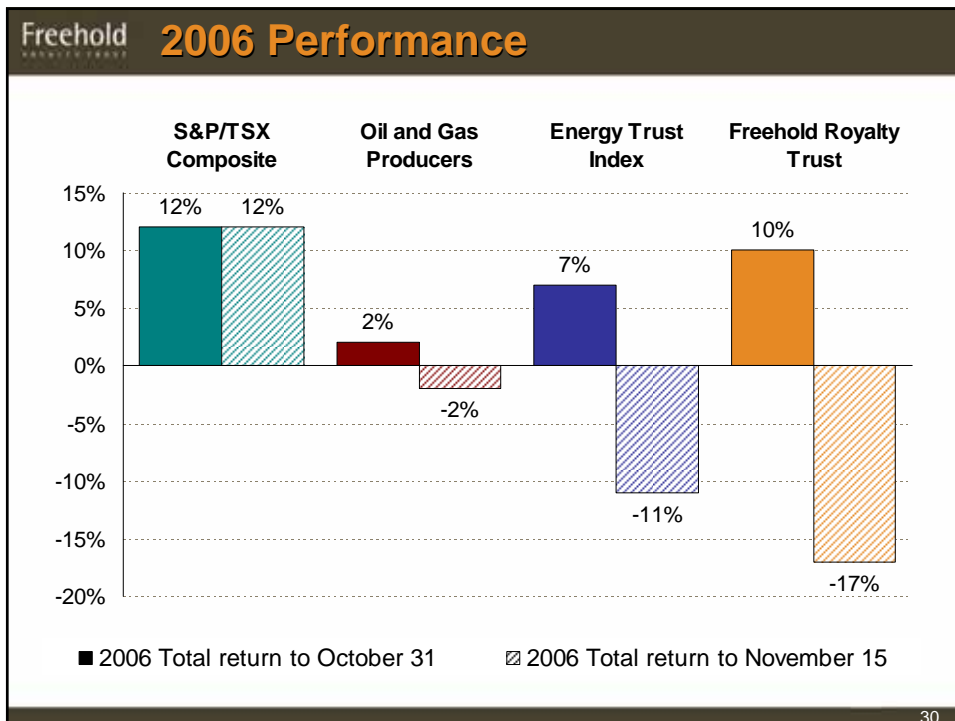
### Freehold 2007 Distribution Guidance

<b>Forecast cash distributions (\$ per Trust Unit)</b>	<b>1.80</b>
<b>Assumptions:</b>	
Average daily production (boe/d)	<b>7,950</b>
Average WTI oil price (US\$/bbl)	<b>62.50</b>
Average AECO natural gas price (Cdn\$/Mcf)	<b>7.25</b>
Average light/heavy oil price differential (Cdn\$/bbl)	<b>25.00</b>
Average exchange rate (Cdn\$/US\$)	<b>0.90</b>
Average operating costs (\$/boe)	<b>3.00</b>
Average general and administrative costs (\$/boe)	<b>2.10</b>
Capital expenditures (\$ millions)	<b>8.0</b>
Long-term debt at year-end (\$ millions)	<b>98</b>
Weighted average Trust Units outstanding (000s)	<b>49,100</b>
Payout ratio (%)	<b>89</b>
Expected taxable portion of distributions (%)	<b>100</b>

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**Freehold** **Proposed Federal Tax Changes\***

Effective 2011 Investor Type	Current System		New System	
	Trust (income)	Corporation (dividend)	Trust (income)	Corporation (dividend)
Taxable Canadian residents <sup>1</sup>	46%	46%	<b>45.5%</b>	<b>45.5%</b>
Canadian tax-deferred accounts (RRSP, RRIF, RPP) <sup>2</sup>	0%	32%	<b>31.5%</b>	<b>31.5%</b>
Taxable U.S. investors <sup>3</sup>	15%	42%	<b>41.5%</b>	<b>41.5%</b>

\* Source: Department of Finance Backgrounder  
 1 Assumes that top personal income tax rates apply  
 2 Personal tax will also apply when funds are withdrawn from registered plans  
 3 Canadian taxes only. U.S. tax will also apply in most cases

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**Freehold** **Taxable B.C. Resident**

Example: Taxable Canadian Investor (B.C. Resident)	Effective 2011			
	Current System		New System	
	Tax %	\$	Tax %	\$
Distribution declared		100.00		100.00
Distribution tax - federal	0%		18.5%	(18.50)
Distribution tax – additional	0%		<u>13.0%<sup>1</sup></u>	<u>(13.00)</u>
<b>Distribution to Unitholder</b>	<b>0%</b>	<b>100.00</b>	<b>31.5%</b>	<b>68.50</b>
Personal income tax <sup>2</sup>	43.7% <sup>3</sup>	<u>(43.70)</u>	18.4% <sup>4</sup>	<u>(12.61)</u>
Cash distribution		<b>56.30</b>		<b>55.89</b>

***Tax impact should be minimal for a taxable B.C. resident***

1 In lieu of provincial tax  
 2 Assumes that top personal income tax rates apply for a B.C. resident  
 3 Distribution taxed as ordinary income  
 4 Distribution taxed as dividend income, net of dividend tax credit

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**Freehold** **Tax-deferred B.C. Resident**

Example: Tax-deferred B.C. Resident	Effective 2011			
	Current System		New System	
	Tax %	\$	Tax %	\$
Distribution declared		100.00		100.00
Distribution tax - federal	0%	↓	18.5%	(18.50)
Distribution tax – additional	0%	↓	13.0% <sup>1</sup>	(13.00)
<b>Distribution to Unitholder</b>		<b>100.00</b>	<b>31.5%</b>	<b>68.50</b>
Personal income tax <sup>2</sup>	0%	↓	0%	↓
Cash distribution <sup>3</sup>		<b>100.00</b>		<b>68.50</b>

**Distribution will decline by 31.5% for a tax-deferred B.C. resident**

1 In lieu of provincial tax  
 2 Assumes that top personal income tax rates apply  
 3 Personal income tax will also apply when funds are withdrawn from registered plans

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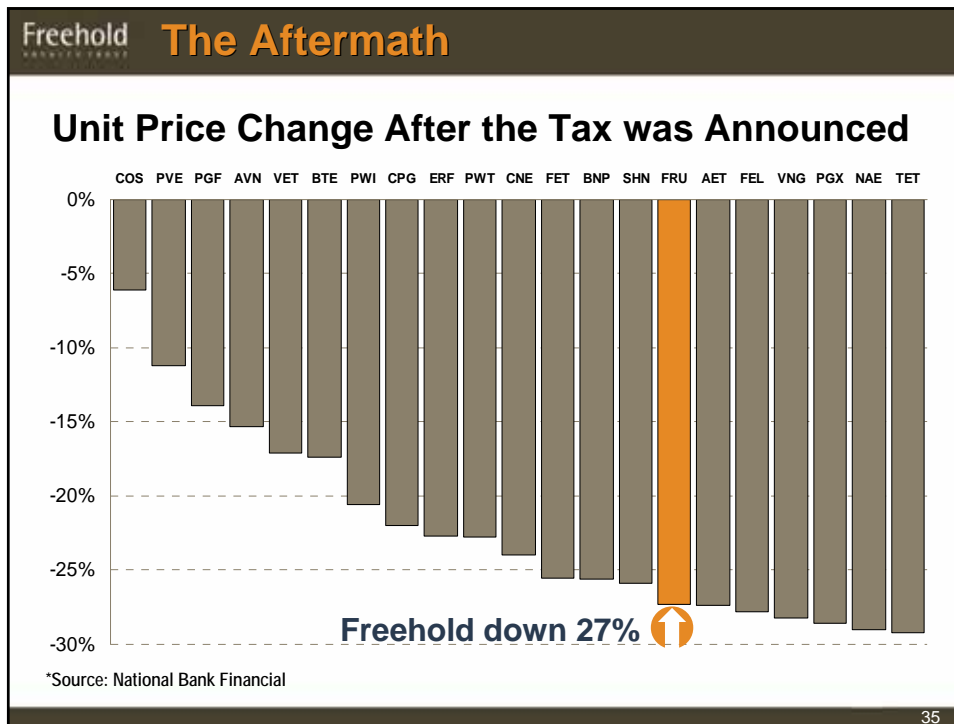
**Freehold** **Tax on Withdrawal from RRSP**

Example: Tax on Withdrawal from RRSP (B.C. Resident)	Effective 2011			
	Current System		New System	
	Tax %	\$	Tax %	\$
Cash distribution (in RRSP)		100.00		68.50
Personal income tax <sup>1</sup>	43.7% <sup>2</sup>	(43.70)	43.7% <sup>2</sup>	(29.93)
After-tax amount		<b>56.30</b>		<b>38.57</b>

**Total tax burden on B.C. resident when funds withdrawn from RRSP: 61.4%**

1 Cash withdrawn from RRSP taxed as ordinary income  
 2 Assumes that top personal income tax rates apply for a B.C. resident

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**Freehold** **What does this mean for Freehold?**

### Short term strategy

- Stay the course
- Draft legislation not yet released

### Long term strategy

- Will examine strategy to ensure the best possible returns for our Unitholders
- Four-year grace period on taxation until 2011

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**Freehold**  
ROYALTY TRUST

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