



The banner features a grey background with the Freehold Royalty Trust logo at the top. Below the logo, the conference title is written in yellow, and the dates are in white. A dark brown bar at the bottom contains the 'TEN YEARS' logo and a list of key performance indicators.

Freehold
ROYALTY TRUST

**Scotia Capital Markets
Energy Trust Conference**

Toronto, Ontario – October 10 & 11, 2007

**TEN
YEARS** OF ROYALTY INCOME, OF HIGH NETBACKS, OF FINANCIAL STABILITY, OF PROFITABLE RESULTS, OF CONSERVATIVE DEBT MANAGEMENT, OF A CONSISTENT BUSINESS STRATEGY, OF RESPONSIBLE GOVERNANCE, OF A QUALITY INVESTMENT, OF FREEHOLD ROYALTY TRUST.

CHECK AGAINST DELIVERY

Good morning.

We would like to thank Scotia Capital for the opportunity to participate in this conference.

Forward-Looking Statements

Freehold
ROYALTY TRUST

This presentation offers management's assessment of Freehold's future plans and operations as at October 10, 2007, 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.

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Our presentation contains forward-looking information and actual results could differ materially from our current expectations.

Please refer to our annual information form for a discussion of the major risks and uncertainties.

Profile

Freehold
ROYALTY TRUST

- **Oil and gas royalty trust created in 1996**
- **2007 H1 cash flow: \$58.5 million**
- **Current monthly distribution: \$0.15**
- **Listed on the Toronto Stock Exchange**
 »FRU.UN
- **49.2 million Trust Units outstanding**
- **Market capitalization: \$750 million**

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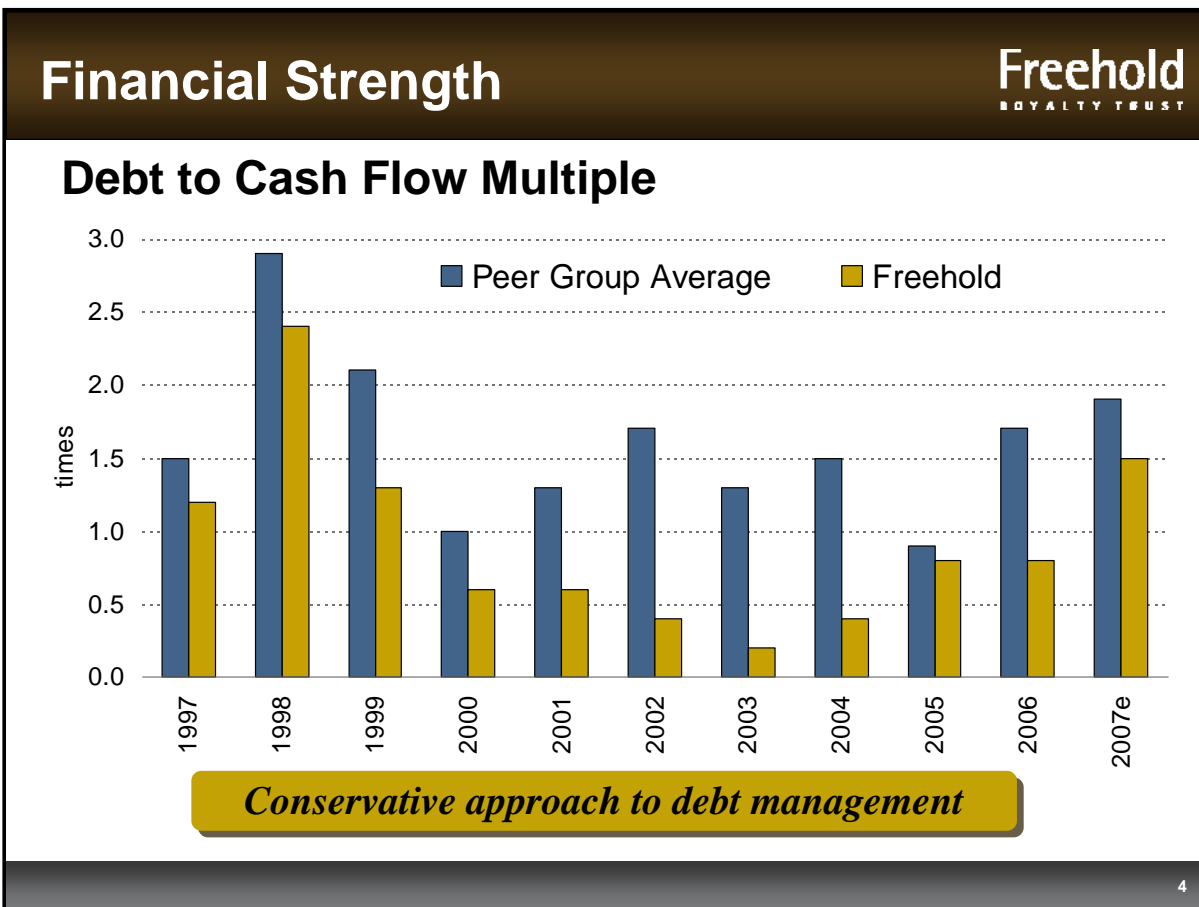
Freehold Royalty Trust was created in November 1996.

In the first half of this year, we cash flowed \$58.5 million.

And we currently pay a monthly distribution of 15 cents.

We are listed on the Toronto Stock Exchange.

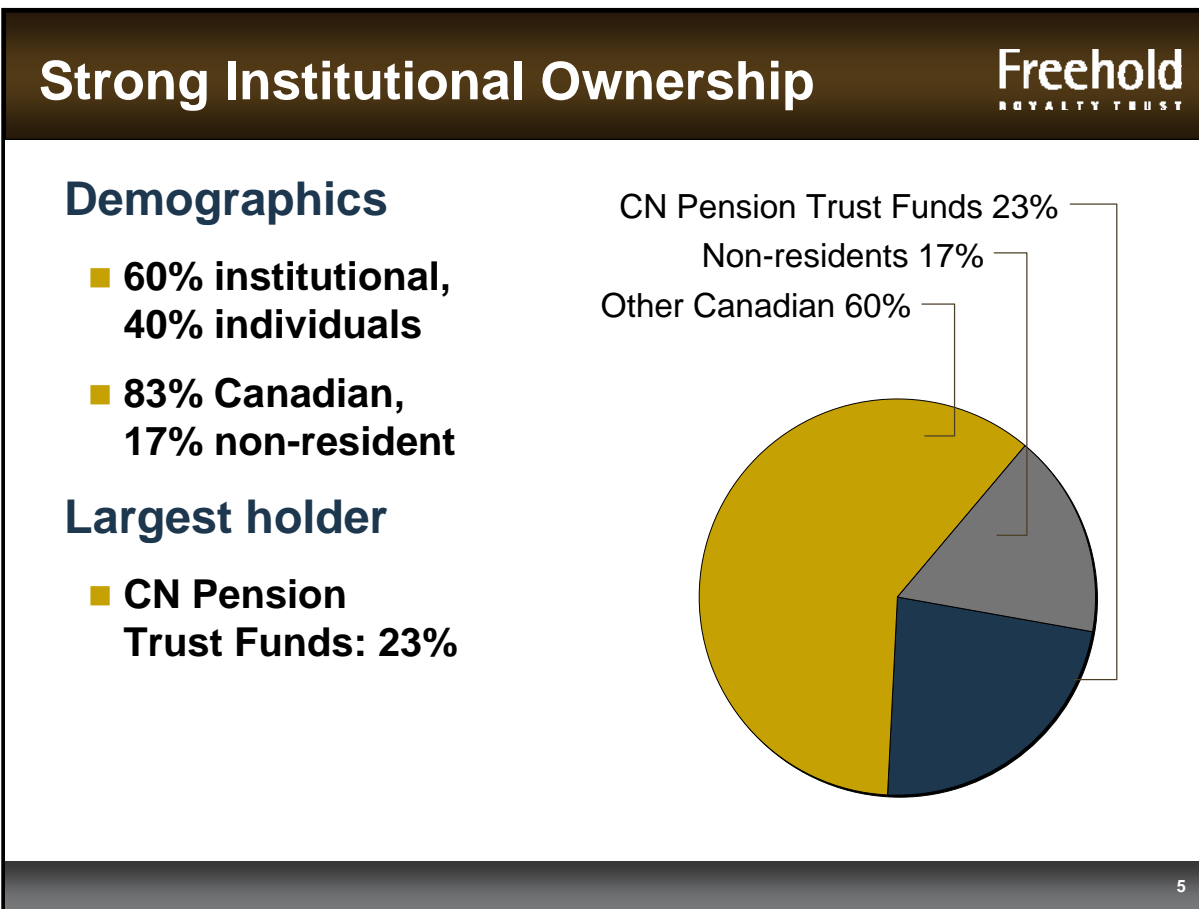
We have 49 million Trust Units outstanding, with a market capitalization of about \$750 million.



Historically, we have carried less debt than our peers.

The additional debt we've taken on with our recent acquisitions – roughly \$90 million dollars – will give us a projected debt to trailing cash flow ratio of about 1.5 to 1 at the end of 2007, which is still below the average for our peer group.

Given our conservative approach to debt management, we plan to pay down this debt as we are able, using available cash in excess of our regular monthly distributions.



Freehold is a largely Canadian-held trust, with strong institutional ownership.

Our largest institutional holder is the CN Pension Trust Fund. CN currently owns just under 23% of our units.

The Manager



Rife Resources Management Ltd.

- **25th year of operation**
- **Owned by the CN Pension Trust Funds**
 - » Owns 100% of Rife Resources Ltd. and Canpar Holdings Ltd.
 - » Owns 23% of Freehold
- **Manages production of 24,000 boe/d**
 - » On behalf of Freehold, Rife, and Canpar
- **Management fee paid in Trust Units**
 - » 35,654 Trust Units per quarter
- **Experienced management team**
 - » Senior management 20+ years with Rife

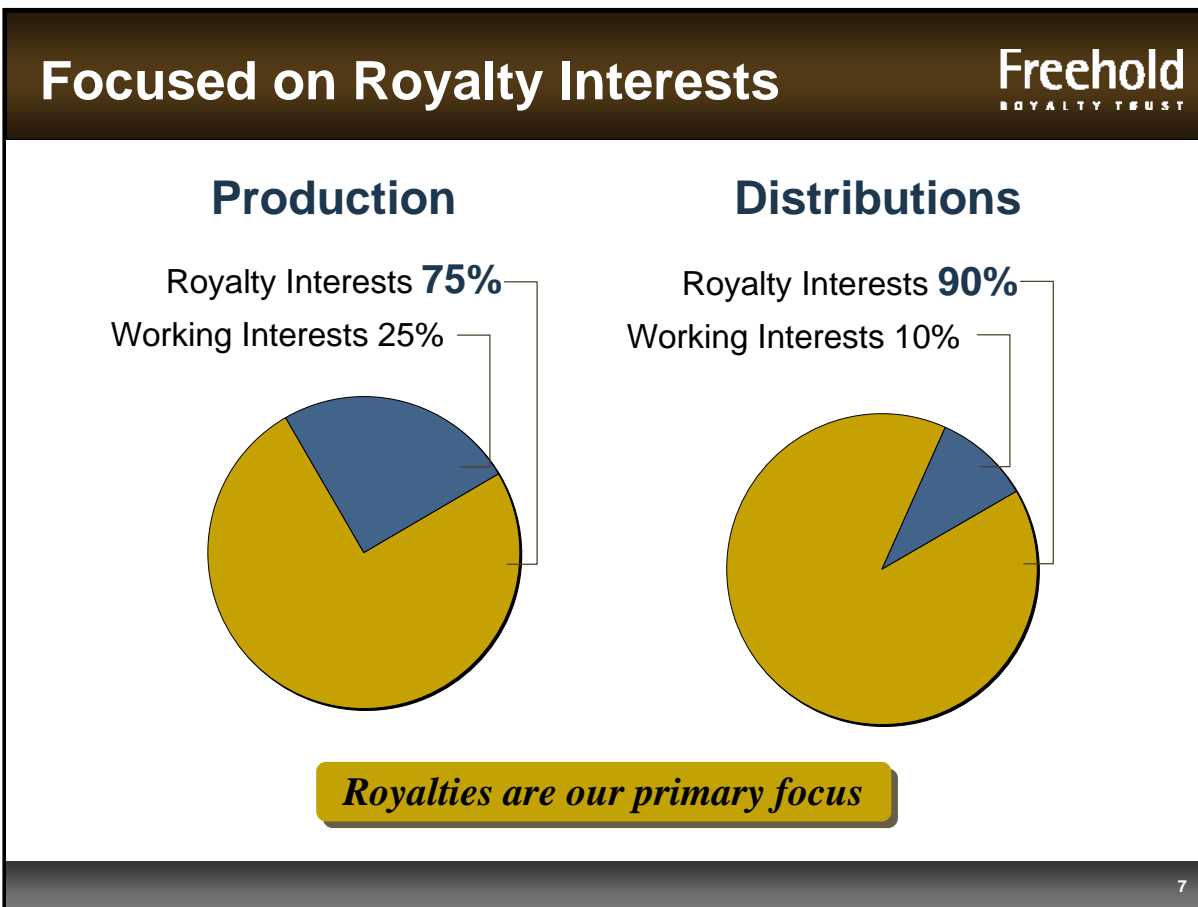
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Freehold does not operate any of its production, nor does it have any employees.

The Trust is managed by Rife Resources Management, which is owned by the CN Pension Trust Funds. Rife receives a management fee, which is paid in Trust Units. We believe this clearly aligns the Manager's interests with the interests of our Unitholders.

Rife is now in its 25th year of operation and manages production of about 24,000 barrels of oil equivalent per day on behalf of three entities, including Freehold.

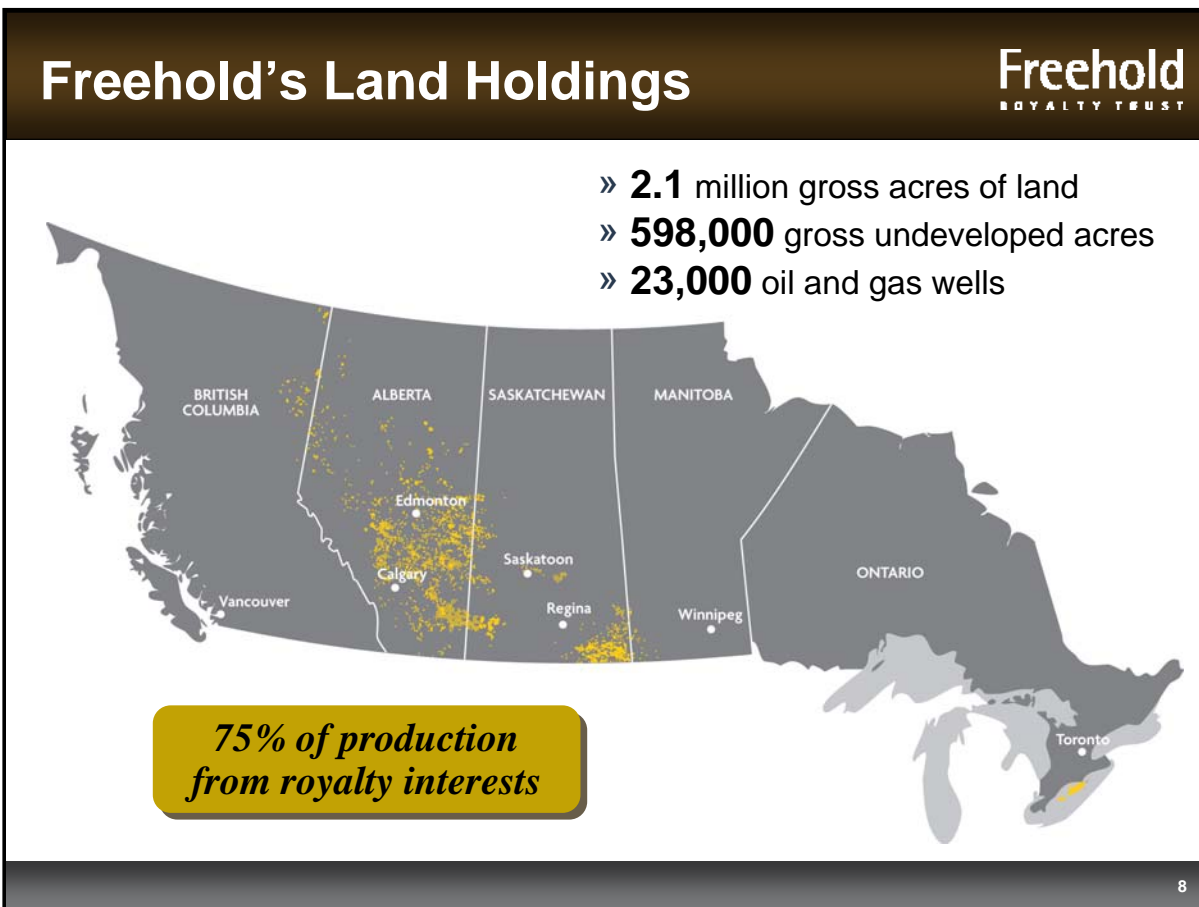
Rife's entire senior management team have all been with Rife for over 20 years, and have extensive experience in managing the assets of Freehold.



Freehold is the only publicly traded energy trust in Canada whose primary focus is on acquiring and managing oil and gas royalty assets.

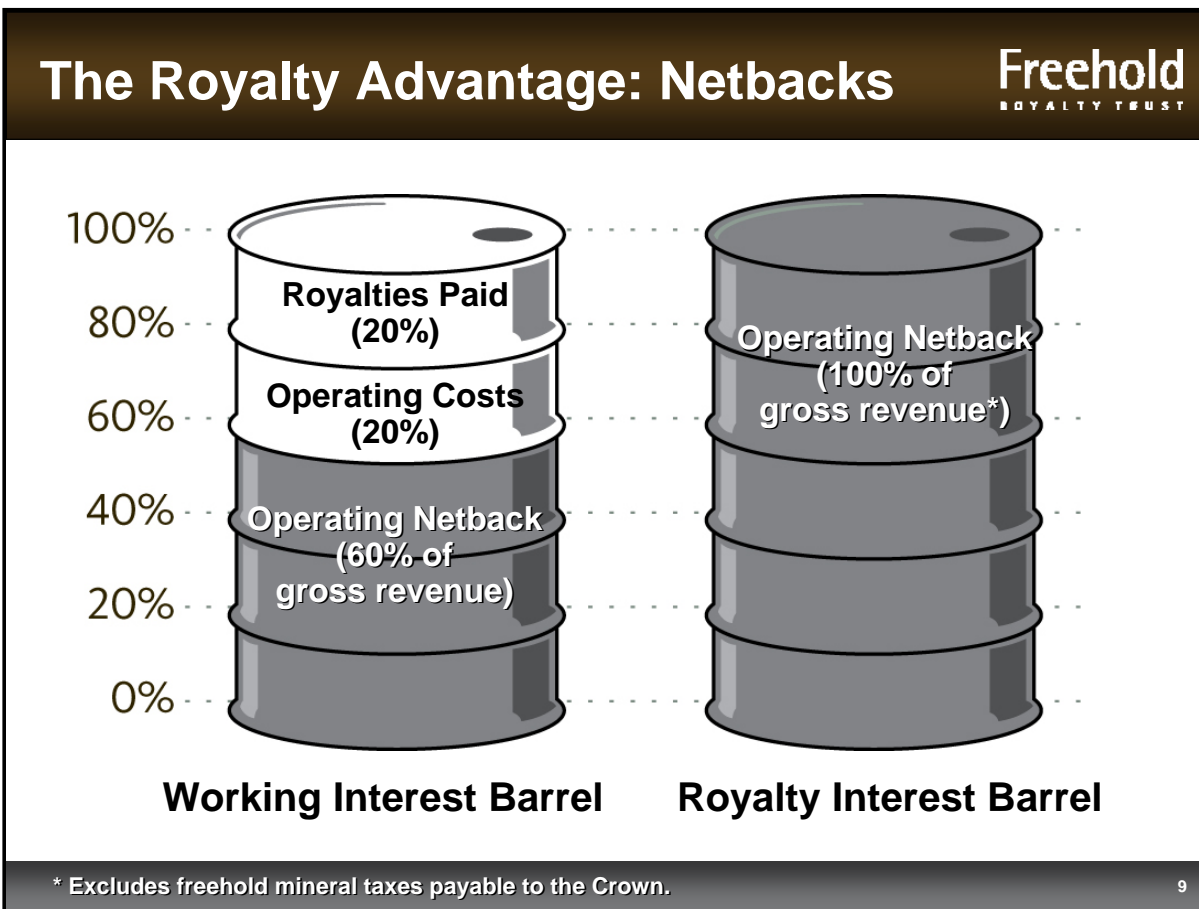
We have one of the largest portfolios of privately-held mineral rights in western Canada – three-quarters of our production, and about 90% of our distributions, comes from royalties.

Our royalty rates vary from less than 1% - for some gross overriding royalties – to as much as 22.5% on our mineral title lands.



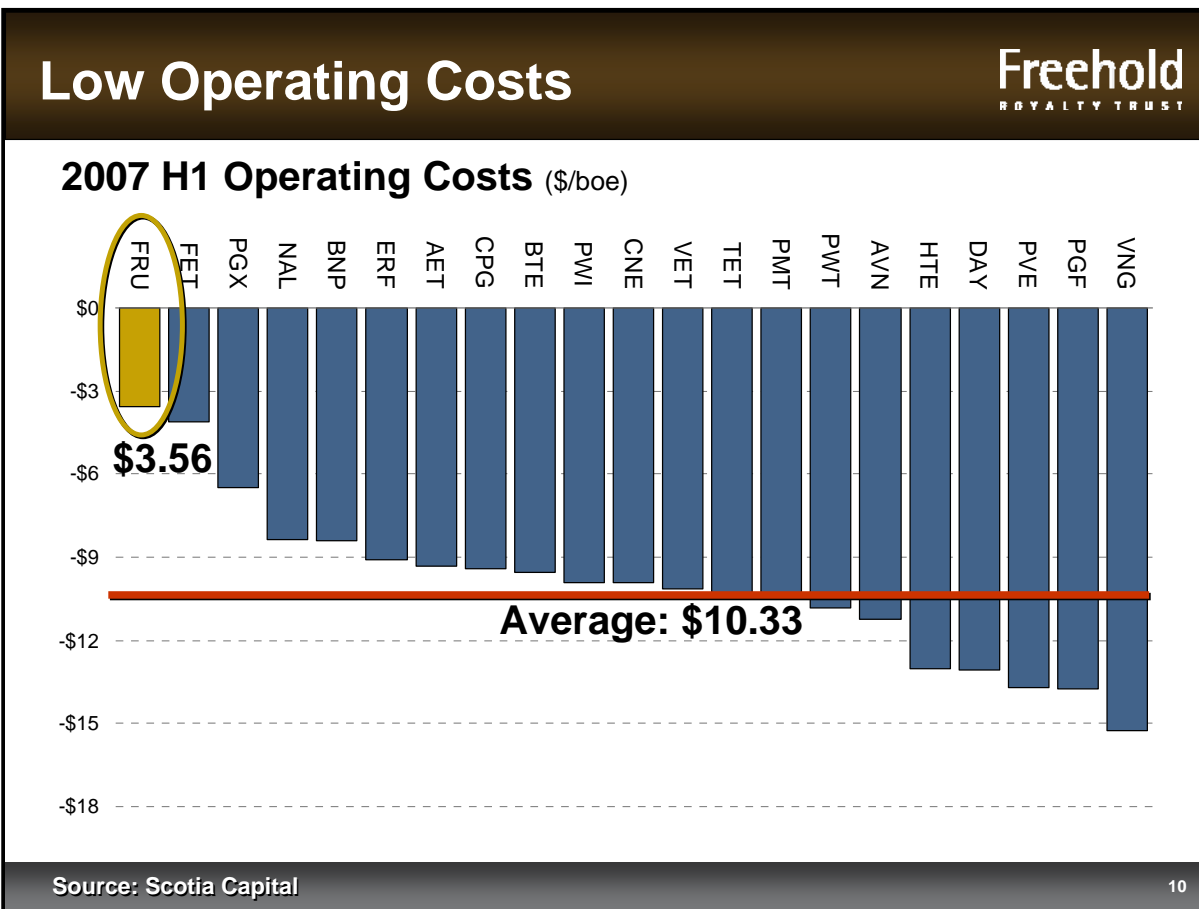
Our land holdings encompass more than 2 million gross acres, concentrated in western Canada, and we have nearly 600,000 gross acres of undeveloped land.

This diversity lowers our risk.



Owning royalty interests has some obvious advantages – higher netbacks per barrel, and no associated capital costs, operating expenses, or Crown royalty expenses.

But we always have to remind investors that we are different.

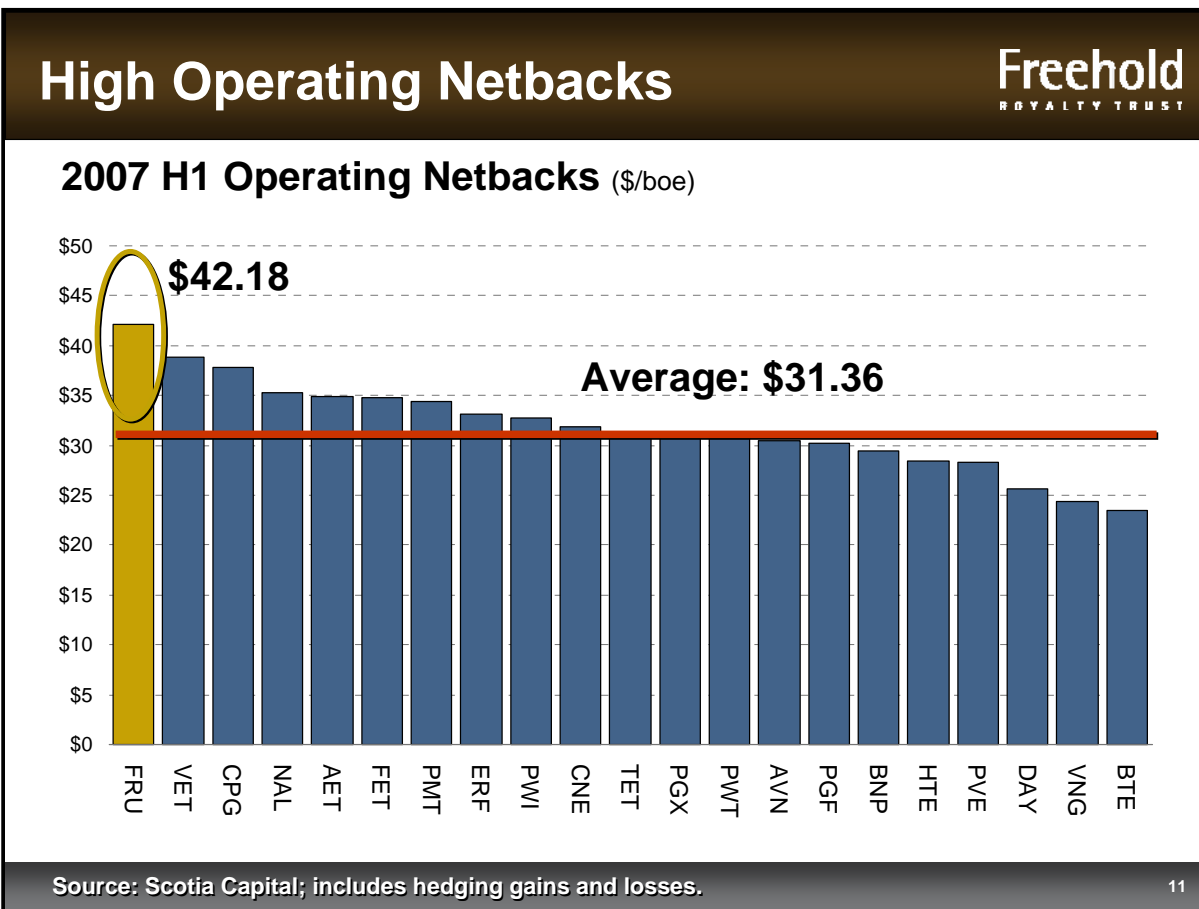


For example, our focus on royalties gives us low operating costs on a total ‘barrel of oil equivalent’ basis.

This slide shows the actual operating costs of 21 oil and gas trusts for the first half of 2007. Freehold is represented at the far left.

At \$3.56 per boe, Freehold’s operating costs were the lowest in the group.

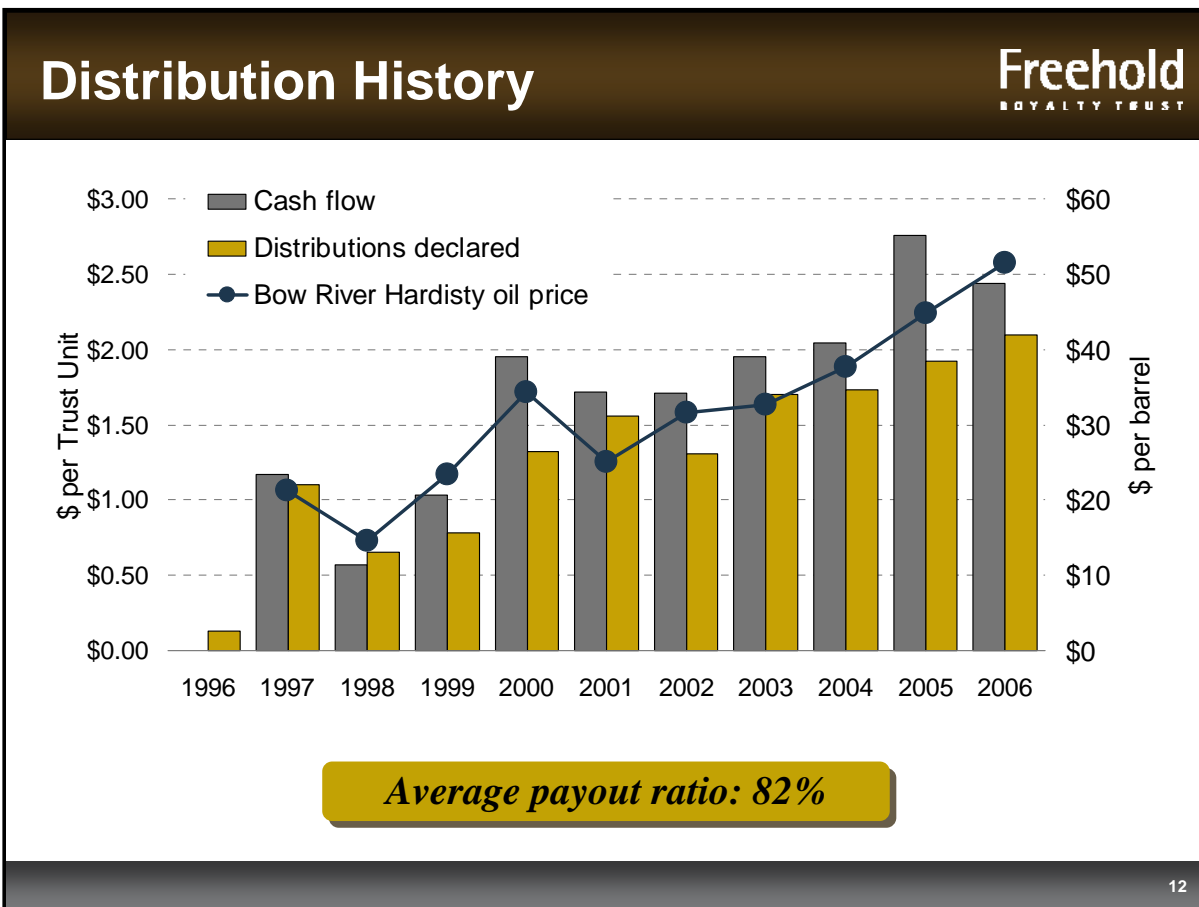
The average of our peers, excluding Freehold, was more than three times higher, at \$10.33 per boe.



Low operating costs deliver strong netbacks. Despite having a large proportion of heavy oil in our product mix, Freehold had the highest operating netback of the group for the first half of this year.

Our operating netback was \$42.18, almost 35% higher than the group average.

This sector leading performance goes straight to our bottom line and helps us deliver stable distributions.



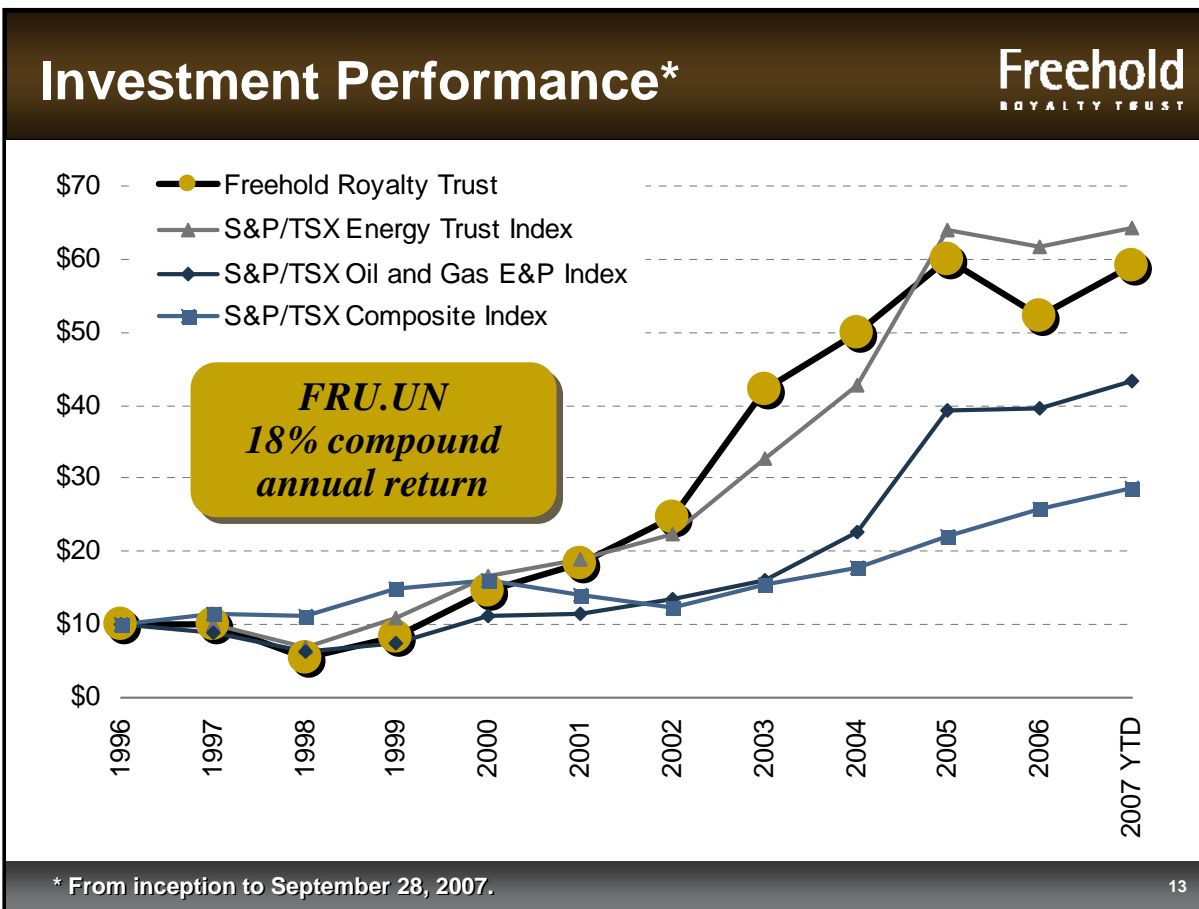
Since inception, our cash flow has:

- funded 100% of our development expenditures, and
- financed our minor acquisitions, and

We have maintained a very conservative balance sheet by paying down debt from cash flow

– all the while delivering an average payout ratio of 82%.

The reason we can maintain a high payout ratio is because we don't need large amounts of capital to sustain production.



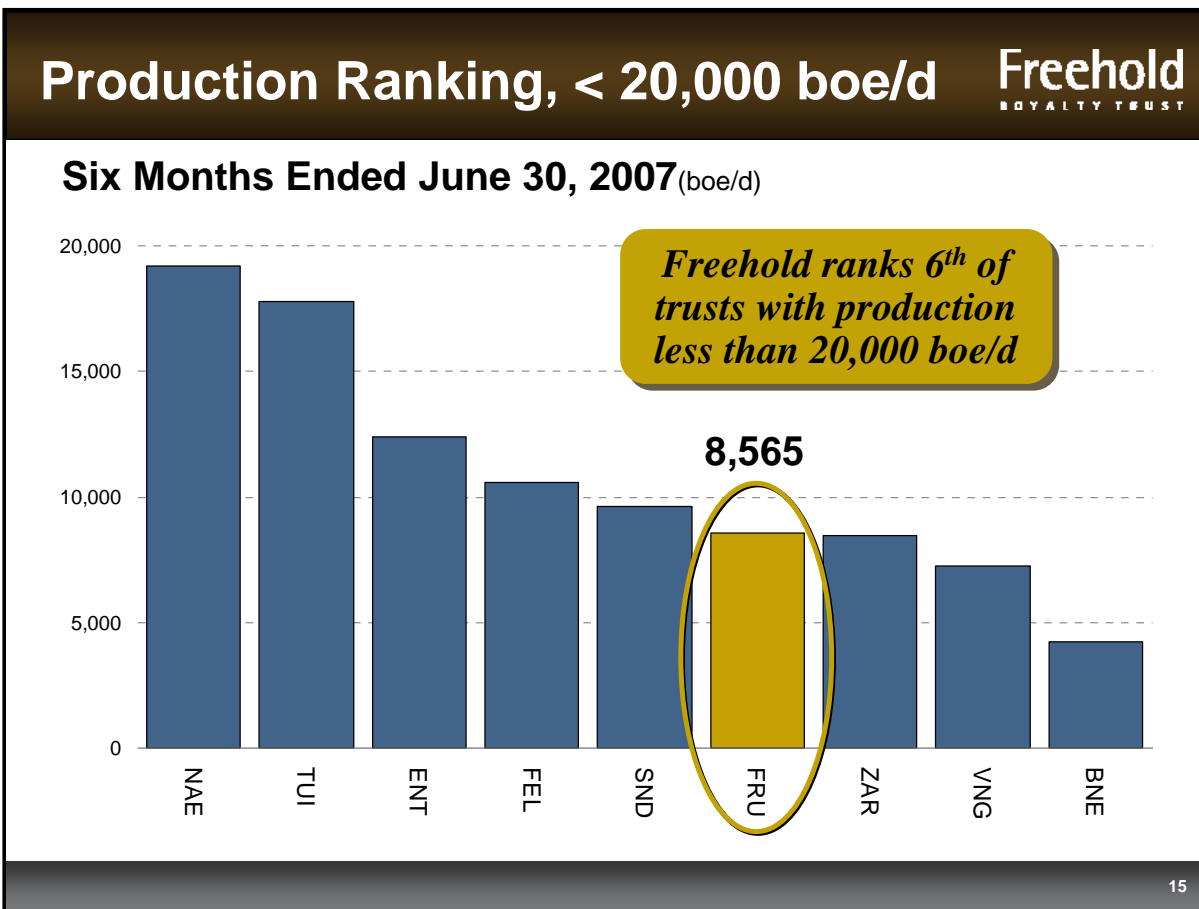
Over the past ten years, our units have performed well against the major indices, yielding a compound annual return of 18%.

Freehold
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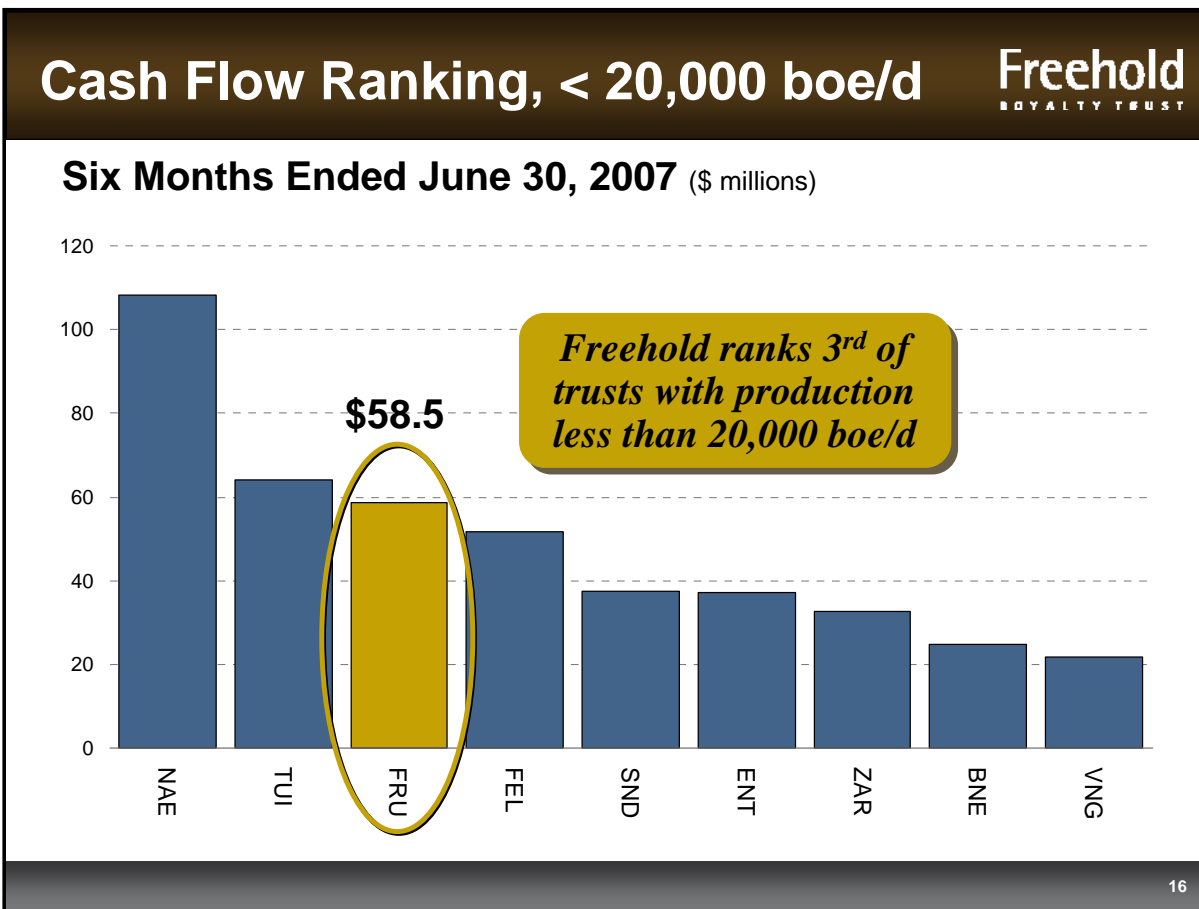
**Panel Discussion:
Small Cap Growth Strategies**

**Scotia Capital Markets
Energy Trust Conference**
Toronto, Ontario
October 10-11, 2007

So with that brief overview, I'll move on to the topic for our panel this morning, which is Small Cap Growth Strategies.



Clearly, on a production basis, Freehold is one of the smaller oil and gas trusts.



But on a cash flow basis, we actually rank closer to a trust with double our production base.

This improvement in ranking highlights the value of our royalty interests – high cash flow per boe.

Strategies for Growth

Freehold
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- 1 Operators drilling on our royalty lands
- 2 Drilling on our working interest properties
- 3 Acquisitions, with a focus on royalty interests

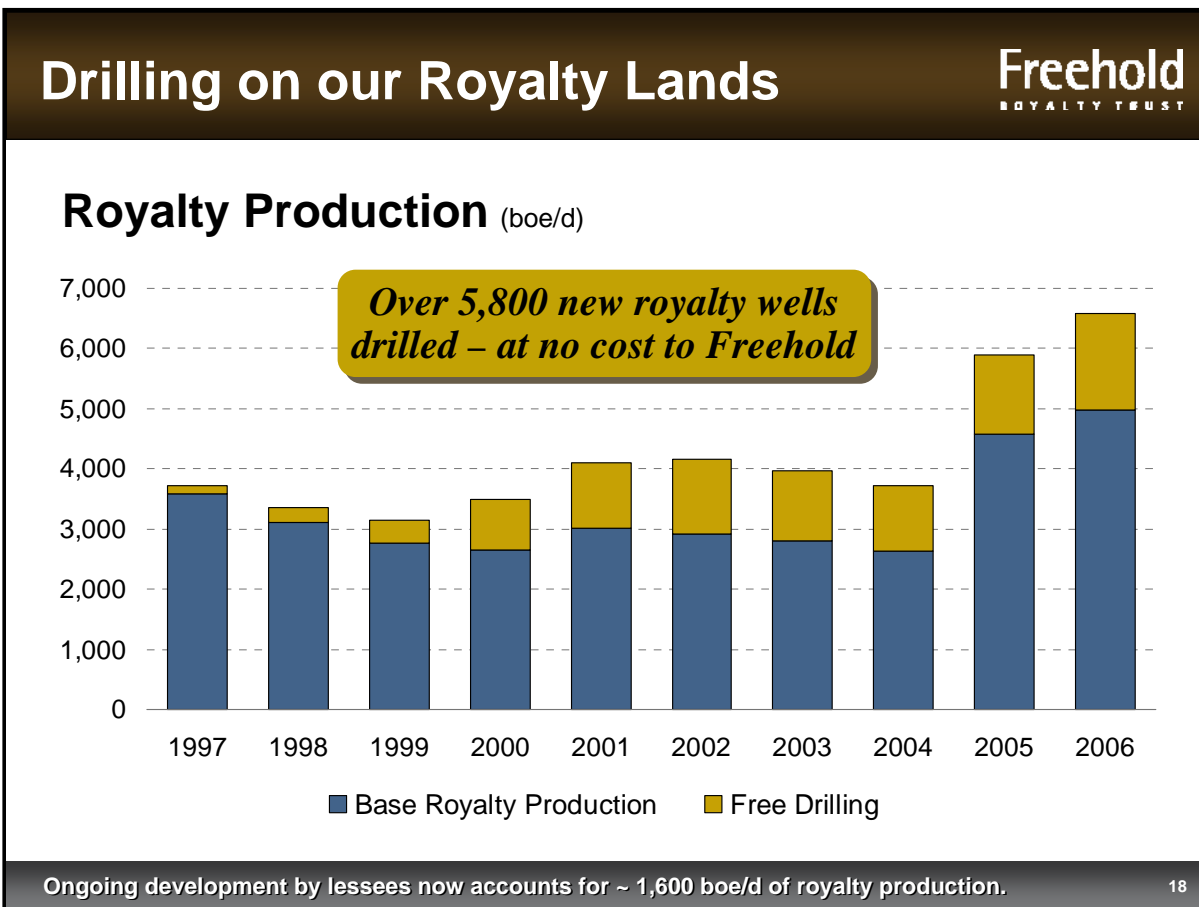
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We have three sources of production growth:

On our royalty lands, active drilling by over 300 industry operators continues to add production and reserves to help offset normal decline rates.

On our working interest properties, we are actively participating in drilling opportunities.

But any significant production growth must come through acquisitions.

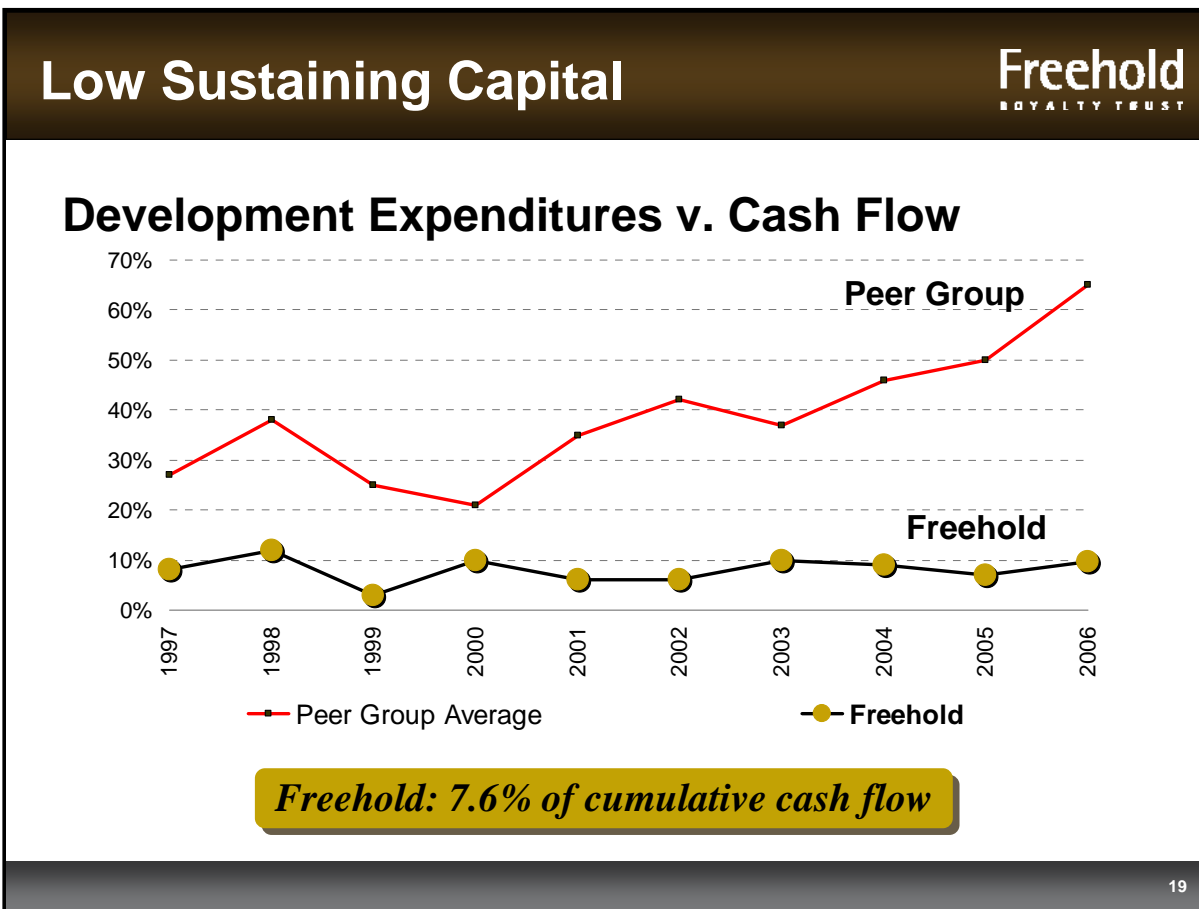


Over the past decade, more than 5,800 new wells have been drilled on our royalty lands, at no cost to Freehold.

In other words, other operators have financed 100% of the development activity on our royalty lands.

This “free drilling” now contributes about 1,600 barrels of oil equivalent per day – or just over a quarter of our royalty production volumes.

We believe our royalty lands continue to offer considerable development potential.



We only incur capital expenditures on our working interest properties.

Since 1997, our total capital expenditures have amounted to less than 8% of our cash flow, while the capital requirements of our peer group have been growing.

Working Interest Drilling
Freehold

ROYALTY TRUST

- **2007 capital budget**
 - » \$9.5 million
- **Hayter**
 - » 11 well drilling program
 - » Additional drilling in 2008
- **Southeast Saskatchewan**
 - » 15 well drilling program
 - » Expect strong drilling to continue in 2008
 - » Land in the Bakken oil play

The map shows the provinces of Alberta and Saskatchewan. Key locations marked with yellow squares are Pouce Coupe in Alberta, Hayter in Alberta, Pembina in Alberta, and SE Sask in Saskatchewan. Major cities like Edmonton, Calgary, Saskatoon, and Regina are also marked with white dots.

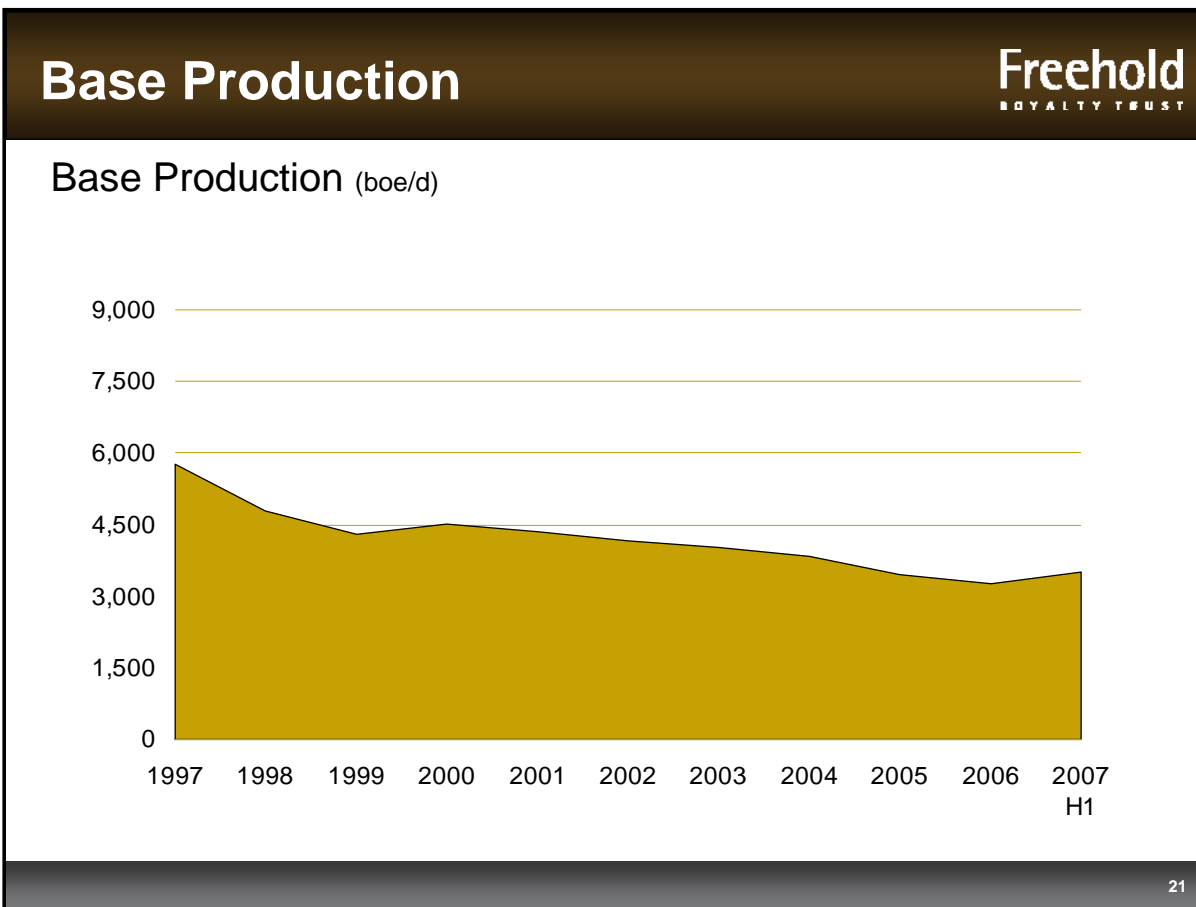
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We have some excellent development potential on our working interest properties, particularly at Hayter in Alberta, and in Southeast Saskatchewan. We spent \$11.5 million on capital projects in 2006, and plan to spend \$9.5 million this year.

We have an 11 well drilling program at Hayter in 2007, with additional drilling planned for 2008.

We have a 15 well drilling program in Southeast Saskatchewan this year, with strong drilling expected to continue into 2008.

We also have land in the area of the Bakken oil play, in Southeast Saskatchewan.



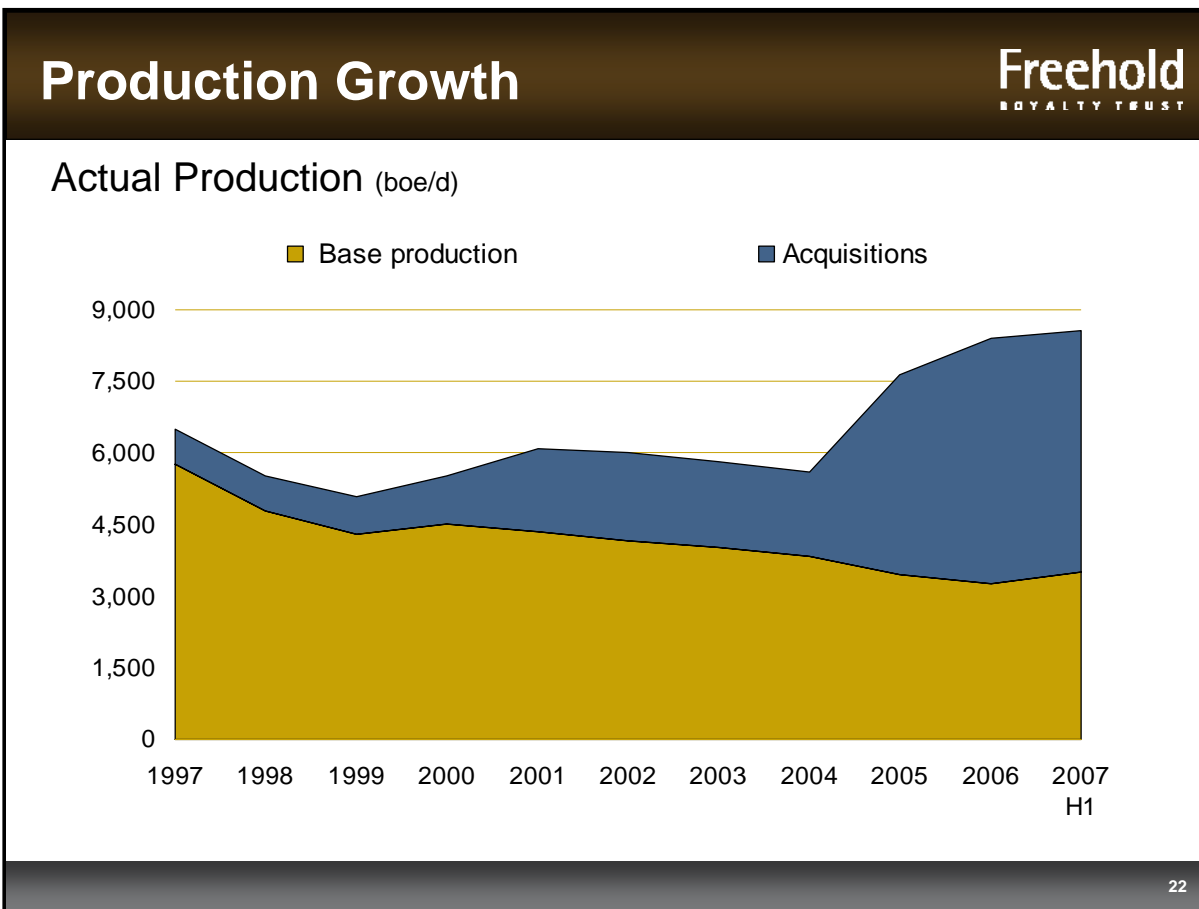
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Our goal is to sustain production and reserves over the long-term, without diluting our Unitholders.

Our base annual production decline rate is approximately 20%, in line with the industry average.

However, since 1998, free drilling on our royalty lands and development on our working interest properties has reduced our annual decline rate to approximately 3%.

If we had not concluded any acquisitions, this is what our production would look like today.



Fortunately, we have been able to offset the natural production decline and grow our asset base by acquiring additional royalty assets. The blue wedge on this chart indicates production from acquisitions, including subsequent drilling on the acquired assets.

95% of our acquisitions have been royalty interests.

Summary of Acquisitions

Freehold
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Year	Area	Cost (\$ millions)	Production (boe/d)
1997	PRL	27.4	586
2001	Southeast Saskatchewan *	25.4	807
2005	Petrovera *	351.7	3,749
2002 – 2006	Miscellaneous (under 500 boe/d)	29.2	821
2007	Alberta/Saskatchewan	90.0	775
Total:		\$523.7	6,738

95% Royalties

* Equity financing.

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In aggregate, we have spent \$524 million to acquire 6,700 boe/d of production.

The most significant acquisition in our history occurred in 2005, when we bought Petrovera Resources. The Petrovera acquisition more than doubled our land base and increased our production by 65%.

We have maintained our focus on acquiring royalty interests, even though royalty assets are often hard to come by.

Most of our acquisitions were funded from cash flow, or through our available credit facilities. We've been to the market only twice in our history, to finance acquisitions – in 2001 and 2005.

In today's environment, we are finding acquisition opportunities, and we've recently bought additional royalty interests for \$90 million, increasing our production by about 800 boe/d.

Recent Acquisitions

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Alberta/Saskatchewan

- Closed September 1, 2007
- \$57.3 million
- Royalty interests (GORR)
- 345,000 gross acres
- 550 boe/d
 - » 51% natural gas
 - » 49% light oil and NGLs

Dixonville, Alberta

- Closed September 5, 2007
- \$32.7 million
- Royalty interests (GORR)
- 7,330 gross acres
- 225 boe/d
 - » 89% oil, 29 degrees API

- **Credit facility increased to \$210 million**

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Both properties have upside potential with additional drilling locations identified. And as a royalty owner, future drilling will occur at no cost of Freehold.

Both acquisitions were financed through our credit facilities, which have been increased from \$165 million to \$210 million.

2007 Strategic Focus

Freehold
ROYALTY TRUST

1

Manage our current assets, continue aggressive audit program

2

Pursue accretive royalty acquisitions to enhance our royalty asset base

3

Keep production unhedged to take advantage of price upside

4

Reduce debt to maintain maximum balance sheet flexibility

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We are focused on four strategic priorities in 2007.

- First, we will continue to make the most of our existing asset base. This includes maintaining our aggressive audit program to realize the maximum value from our producing royalty lands.
- Second, we will continue to pursue accretive acquisition opportunities, with a focus on royalty assets that complement our existing portfolio.
- Third, we will keep our production unhedged to take advantage of price upside. This has been our strategy from the beginning, and we do not expect this strategy to change, although we do review our hedging policy quarterly with our Board.
- And finally, we will focus on debt reduction so that we can maintain maximum flexibility to take advantage of future acquisition opportunities.

The image shows a promotional slide for Freehold Royalty Trust. The top half has a grey background with the company name 'Freehold' in a large white font, with 'ROYALTY TRUST' in a smaller white font below it. Below the name, the website 'www.freeholdtrust.com' is written in yellow, and the toll-free number '1-888-257-1873' is written in white. The bottom half has a dark brown background. On the left, 'TEN YEARS' is written in large yellow letters. To the right, a list of achievements is written in small white capital letters: 'OF ROYALTY INCOME, OF HIGH NETBACKS, OF FINANCIAL STABILITY, OF PROFITABLE RESULTS, OF CONSERVATIVE DEBT MANAGEMENT, OF A CONSISTENT BUSINESS STRATEGY, OF RESPONSIBLE GOVERNANCE, OF A QUALITY INVESTMENT, OF FREEHOLD ROYALTY TRUST.'

That concludes our presentation.

We would be happy to answer any questions.