



# Freehold

R O Y A L T Y T R U S T

## Investor Update

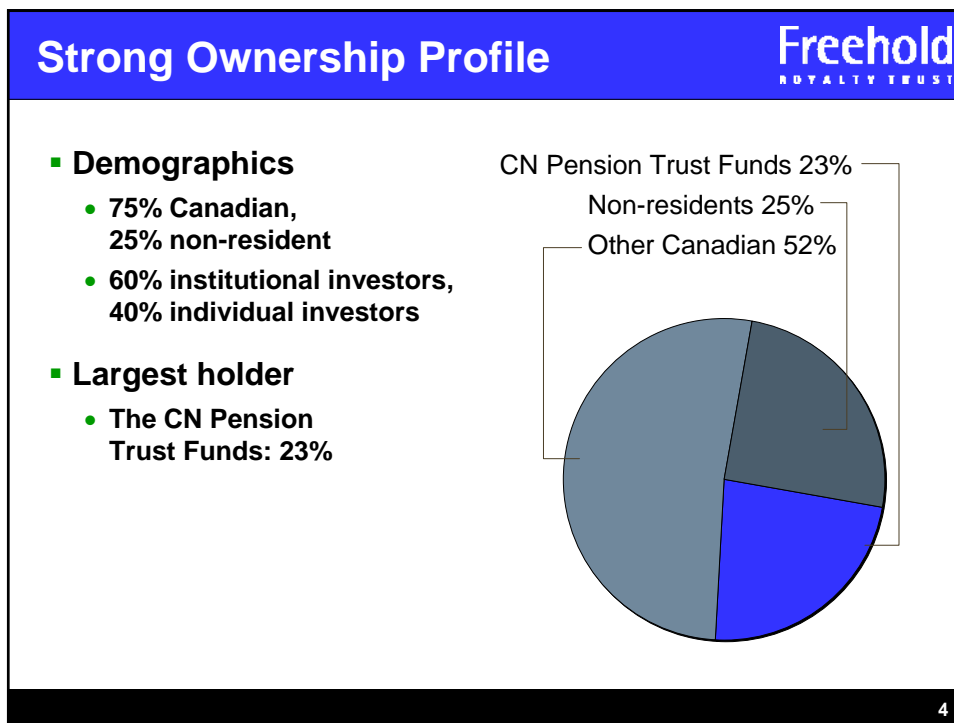
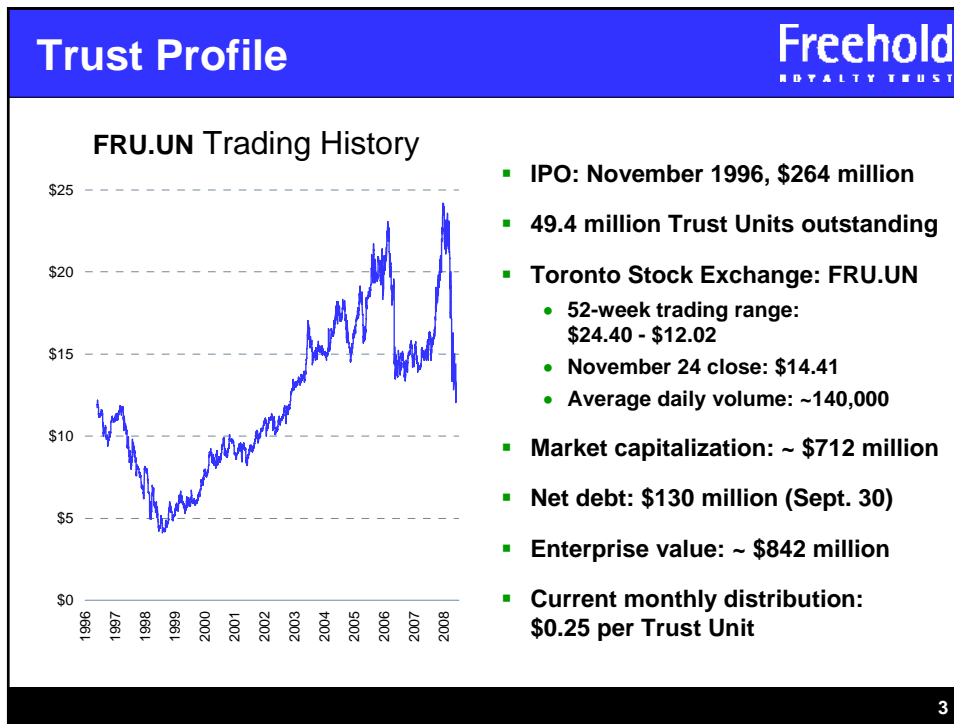
November 24, 2008


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### Forward-Looking Statements

- This presentation offers management's assessment of Freehold's future plans and operations as at November 24, 2008 and contains forward-looking statements pertaining to capital and production guidance.
- We assume no obligation to update or revise these forward-looking statements except as required by law.
- The assumptions used in the preparation of this presentation, including the commodity price assumptions contained herein, 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 and quarterly reports and in our annual information form filed on [www.sedar.com](http://www.sedar.com).


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Board of Directors





William Siebens




Nolan Blades




Harry Campbell




Tullio Cedraschi




Peter Harrison



Michael Maher



Russell Hiscock



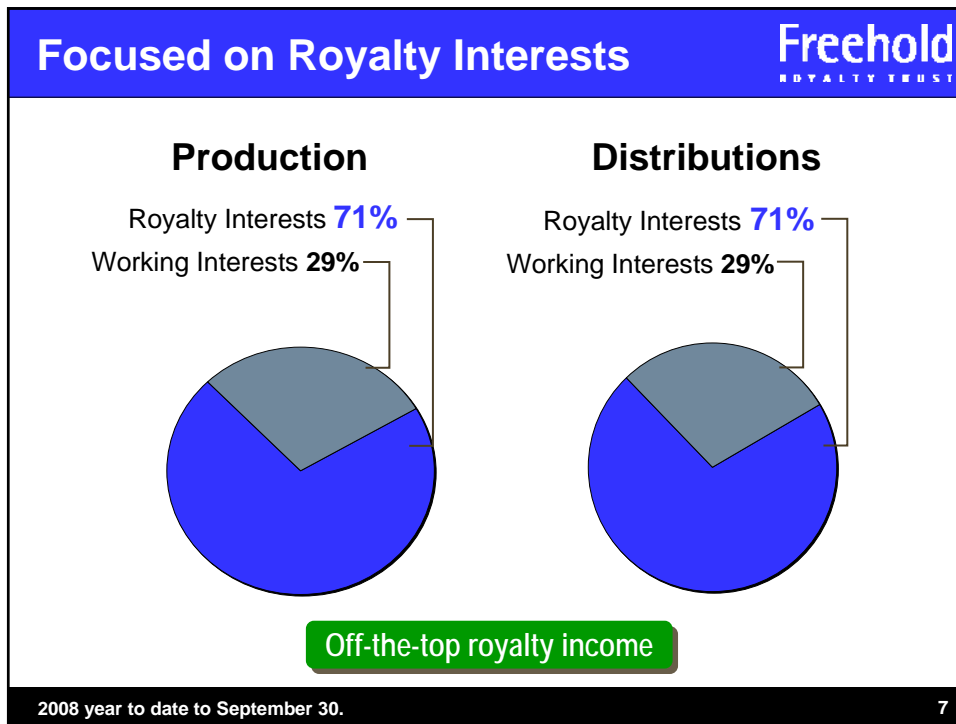
David Sandmeyer

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The Manager


- Rife Resources Management Ltd.
  - Owned by the CN Pension Trust Funds
    - » Owns 100% of Rife Resources Ltd. and Canpar Holdings Ltd.
    - » Owns 23% of Freehold
  - Manages production of 22,000 boe/d
    - » On behalf of Freehold, Rife, and Canpar
  - Management fee paid in Trust Units
    - » 35,654 Trust Units per quarter
  - Experienced management team
    - » Majority of senior management 25+ years with Rife
    - » Rife has been in operation for over 26 years

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- ### 2009 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 Analyze tax changes to ensure best structure for our royalty assets
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**“SIFT” Tax Enacted June 2007**
**Freehold**  
ROYALTY TRUST

- **Distributions to be taxed at the Trust level, starting January 1, 2011**
  - Distributions eligible for dividend tax credit
  - Grace period until December 31, 2010
  - Freehold has approximately \$230 million in tax pools
- **Freehold’s strategy**
  - Equity growth limits will not significantly limit our growth opportunities
    - » \$900 million available under ‘safe harbour’ limits
  - Continuing value for Unitholders until 2011
  - Special committee formed to examine strategy and options available

**Freehold’s royalty lands will continue to produce high netbacks for investors**

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**SIFT Tax Examples**
**Freehold**  
ROYALTY TRUST

Ontario Resident - Individual	Current	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>
Income available for distribution	100.00	100.00	100.00
SIFT tax at entity level	–	(26.50)	(25.00)
After tax cash available for distribution	100.00	73.50	75.00
Combined Federal/Provincial tax rate	46.41%	25.33%	26.74%
Unitholder tax <sup>(1) (2)</sup>	(46.41)	(18.62)	(20.06)
After tax cash to Unitholder	53.59	54.88	54.95

<sup>1</sup> Assumes proposed legislation is enacted.

<sup>2</sup> Assumes top personal income tax rates apply for an Ontario resident.

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<b>SIFT Tax Examples</b>		<b>Freehold</b> ROYALTY TRUST	
<b>Canadian Resident – Tax Sheltered</b>	<b>Current</b>	<b>2011 <sup>(1)</sup></b>	<b>2012 <sup>(1)</sup></b>
Income available for distribution	100.00	100.00	100.00
SIFT tax at entity level	–	(26.50)	(25.00)
After tax cash available for distribution	100.00	73.50	75.00
Combined Federal/Provincial tax rate	–	–	–
Unitholder tax <sup>(1) (2)</sup>	–	–	–
After tax cash to Unitholder	100.00	73.50	75.00

1 Assumes proposed legislation is enacted.  
 2 Assumes Trust Units are held in a tax-deferred account.

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<b>SIFT Tax Examples</b>		<b>Freehold</b> ROYALTY TRUST	
<b>U.S. Resident - Individual</b>	<b>Current</b>	<b>2011 <sup>(1)</sup></b>	<b>2012 <sup>(1)</sup></b>
Income available for distribution	100.00	100.00	100.00
SIFT tax at entity level	–	(26.50)	(25.00)
After tax cash available for distribution	100.00	73.50	75.00
15% withholding tax	(15.00)	(11.03)	(11.25)
U.S. Unitholder tax <sup>(3)</sup>	(20.00)	(14.70)	(15.00)
After tax cash to Unitholder	65.00	47.78	48.75

1 Assumes proposed legislation is enacted.  
 2 Distribution taxed as ordinary income. Freehold is considered a PFIC for U.S. tax purposes.

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**Freehold**  
ROYALTY TRUST

**Operational Update**

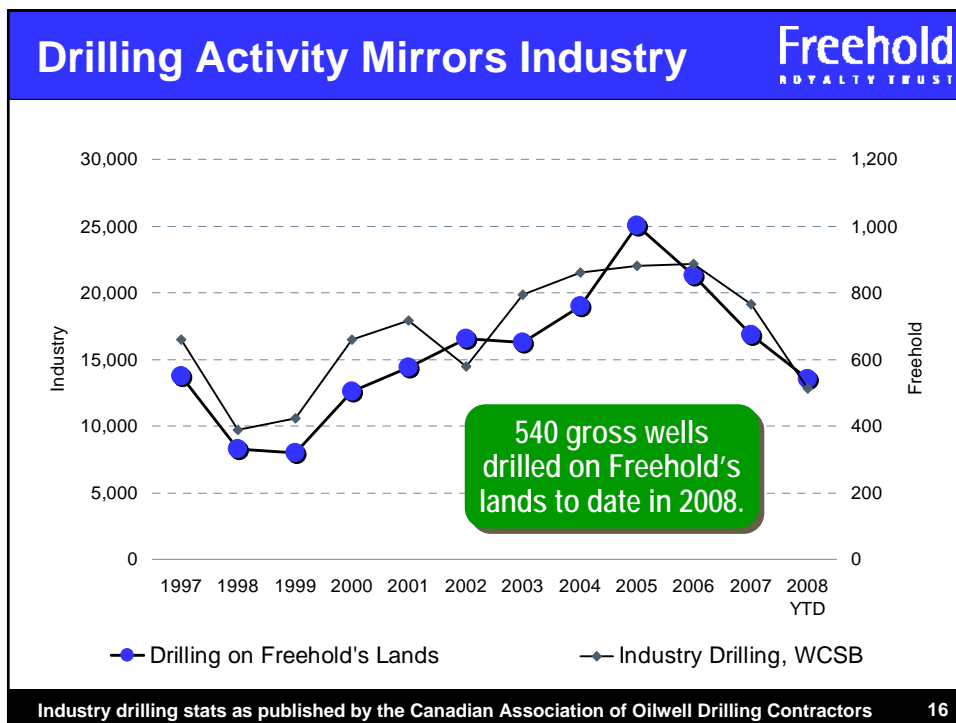
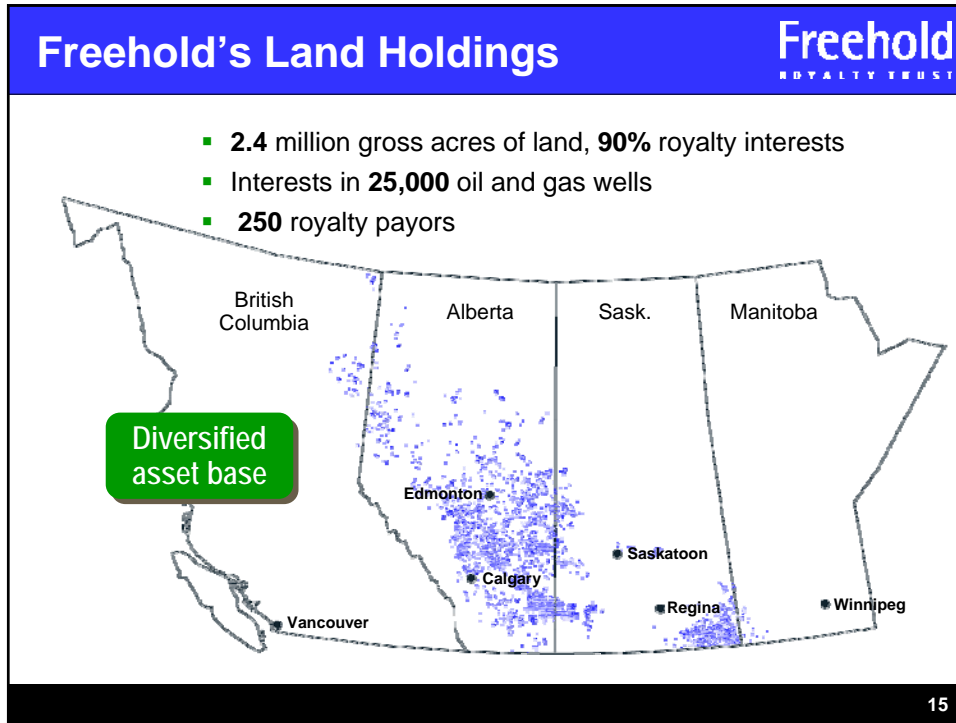
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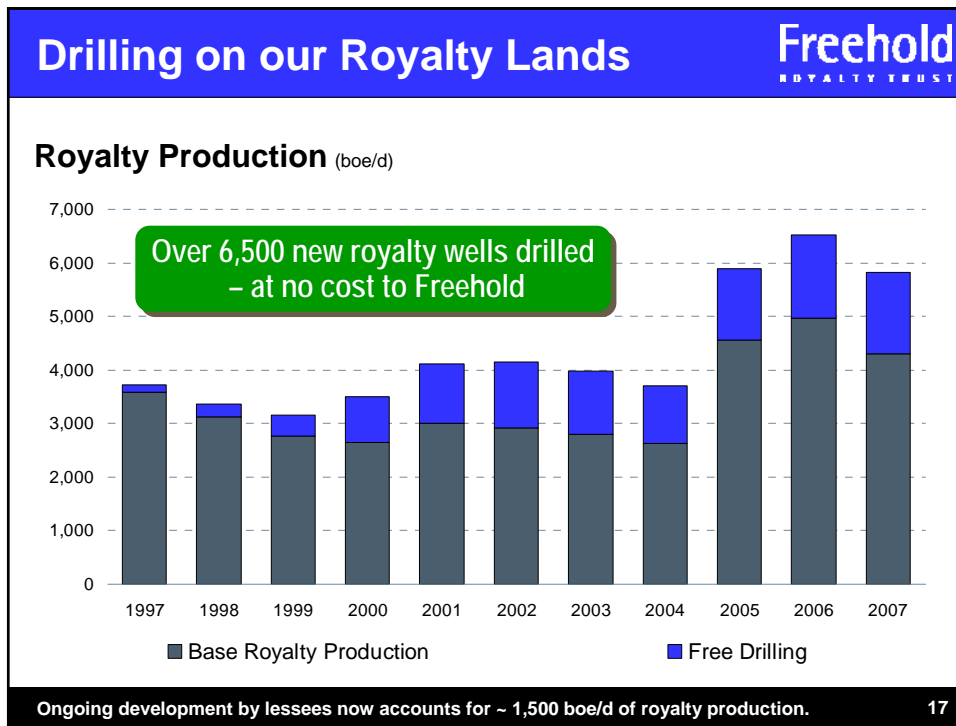


**Strategies for Growth** **Freehold**  
ROYALTY TRUST

- 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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## Working Interest Properties Freehold ROYALTY TRUST


- **89 working interest properties**
- **52% of working interest production from 4 properties**
- **Capital spending**
  - 2008 - \$12.3 million
  - 2009 – \$16.7 million
- **Focus areas**
  - Hayter, Alberta
  - Southeast Saskatchewan



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## Hayter, Alberta Freehold ROYALTY TRUST

- **23.52% average working interest in 120 wells**
- **Net reserves: 1.2 MMboe**
- **2008 capital program**
  - \$2.3 million
  - 8 (1.9 net wells)
- **2009 capital program**
  - \$3.4 million
  - 11 (2.6 net) wells



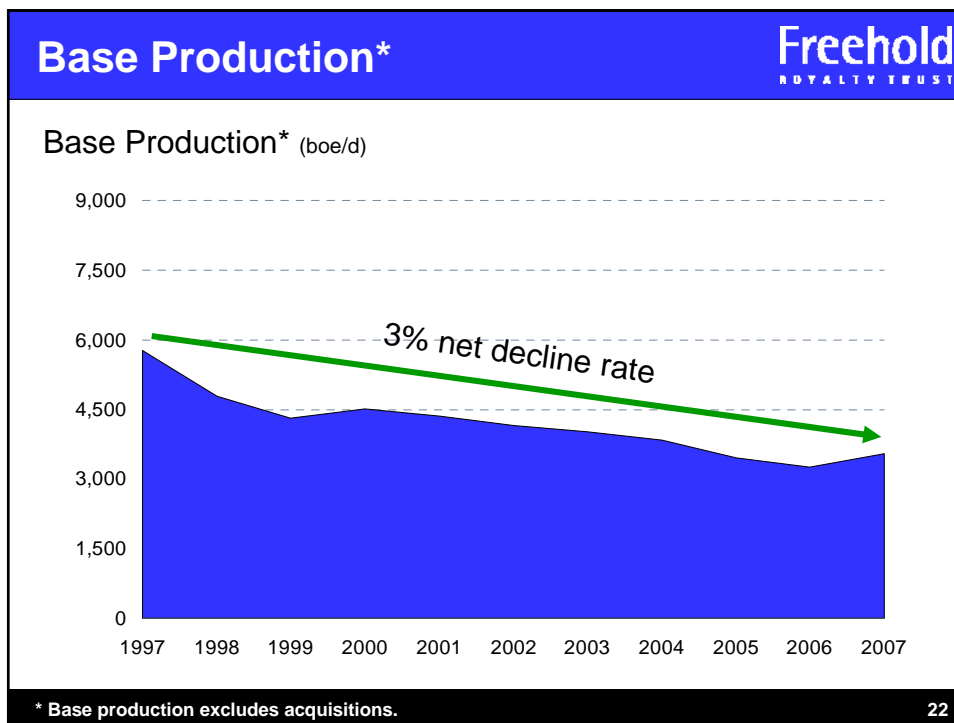
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Summary of Acquisitions			Freehold ROYALTY TRUST	
Year	Area	Cost (\$ millions)	Production (boe/d)	
1997	PRL	22.3	702	
<b>2001</b>	<b>Southeast Saskatchewan *</b>	<b>25.4</b>	<b>807</b>	
<b>2005</b>	<b>Petrovera *</b>	<b>351.7</b>	<b>3,756</b>	
1997 – 2006	Miscellaneous (under 500 boe/d)	29.2	1,059	
2007	Alberta/Saskatchewan	90.5	676	
2008	Alberta	8.4	70	
<b>Total:</b>		<b>\$527.5</b>	<b>7,070</b>	

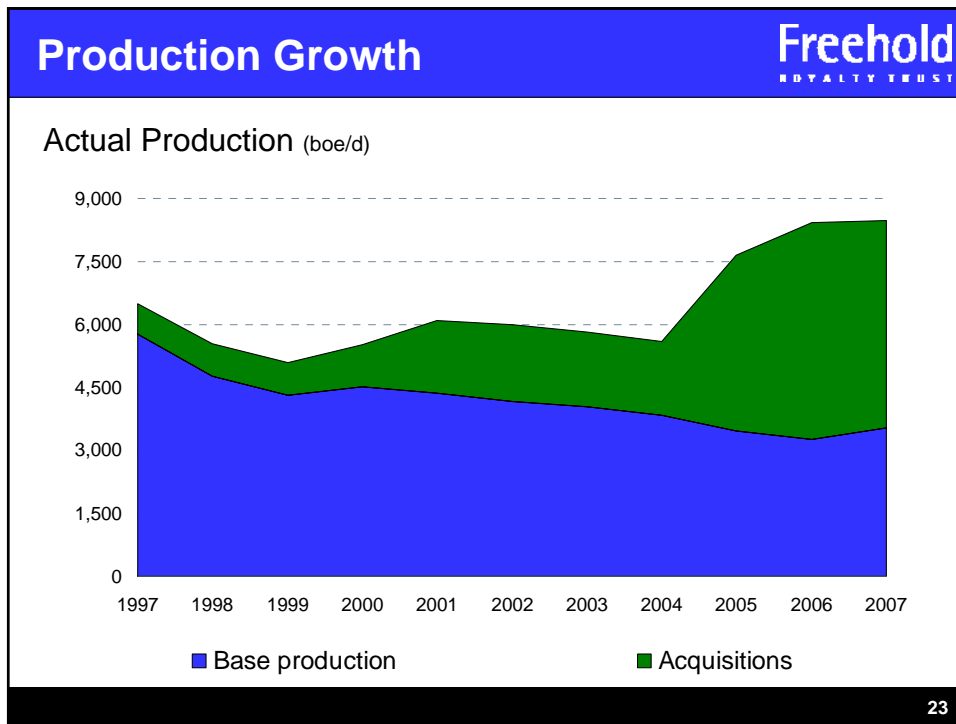
**90% Royalties**

\* Equity financing in 2001 and 2005.

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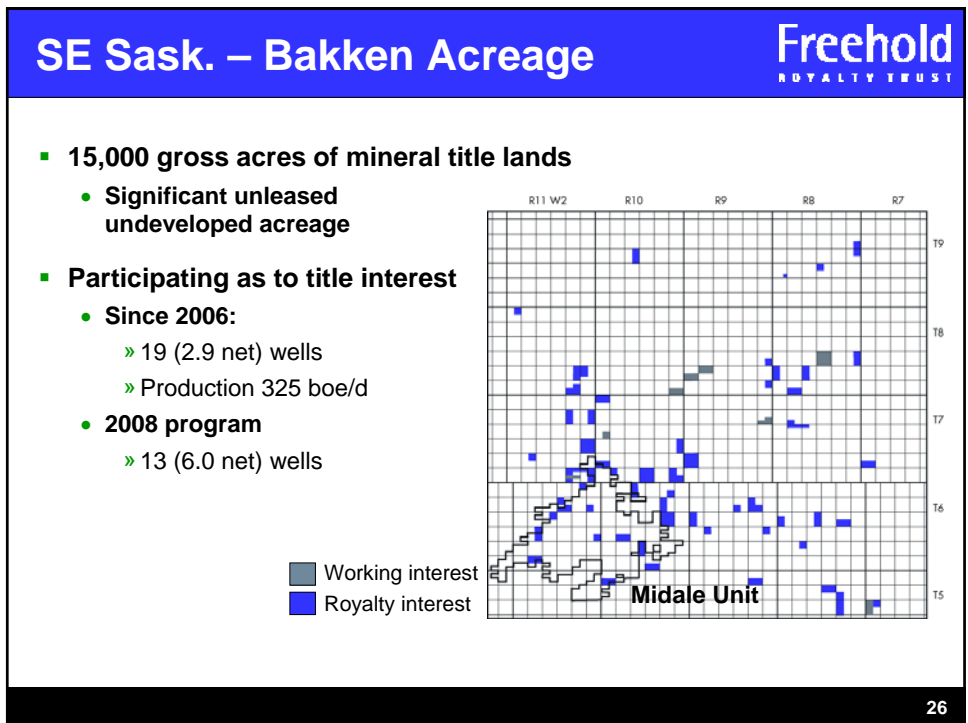
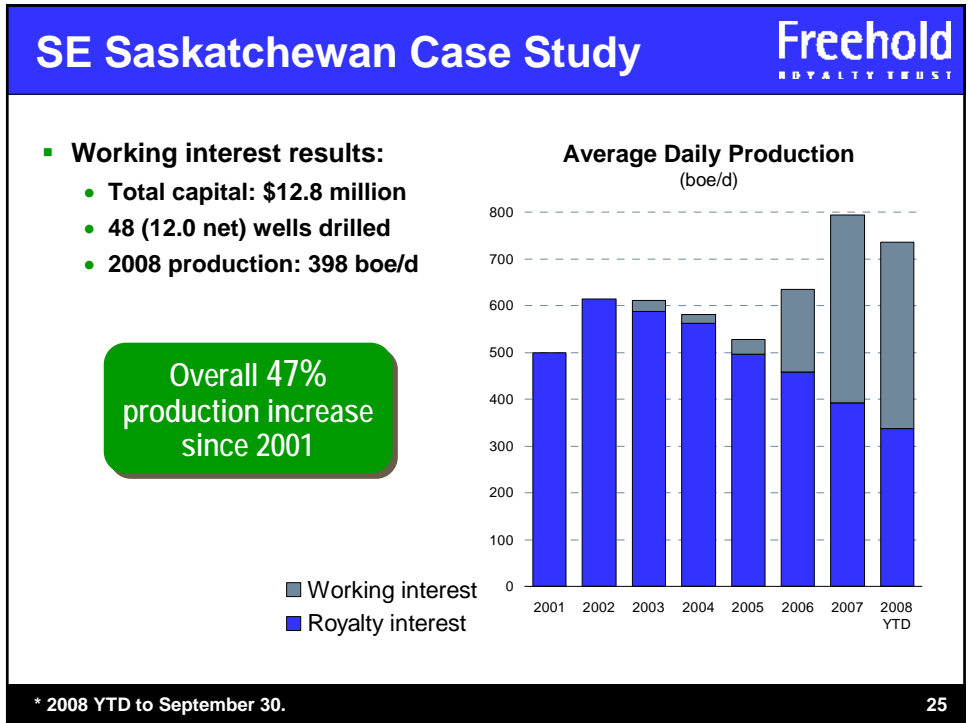
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### Royalty Acquisition Case Study Freehold ROYALTY TRUST

- **2001 Acquisition Southeast Saskatchewan**
  - 95,000 gross acres of mineral title lands
  - \$25.4 million
- **2001 – 2007**
  - 476 royalty wells drilled
- **2005 – 2008**
  - Selectively taking a working interest position as to our title interest on unleased mineral title lands

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Operational Guidance		Freehold <small>ROYALTY TRUST</small>	
		2008*	2009*
Capital expenditures	(\$ millions)	12.3	16.7
Average daily production	(boe/d)	7,900	7,500

\* Forward-looking information.

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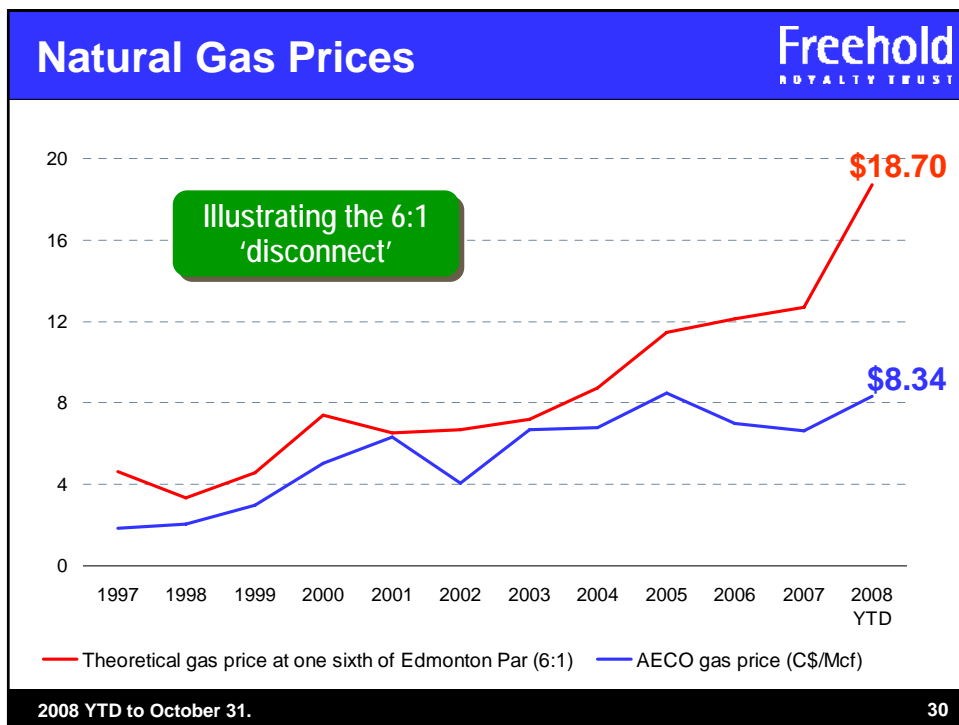
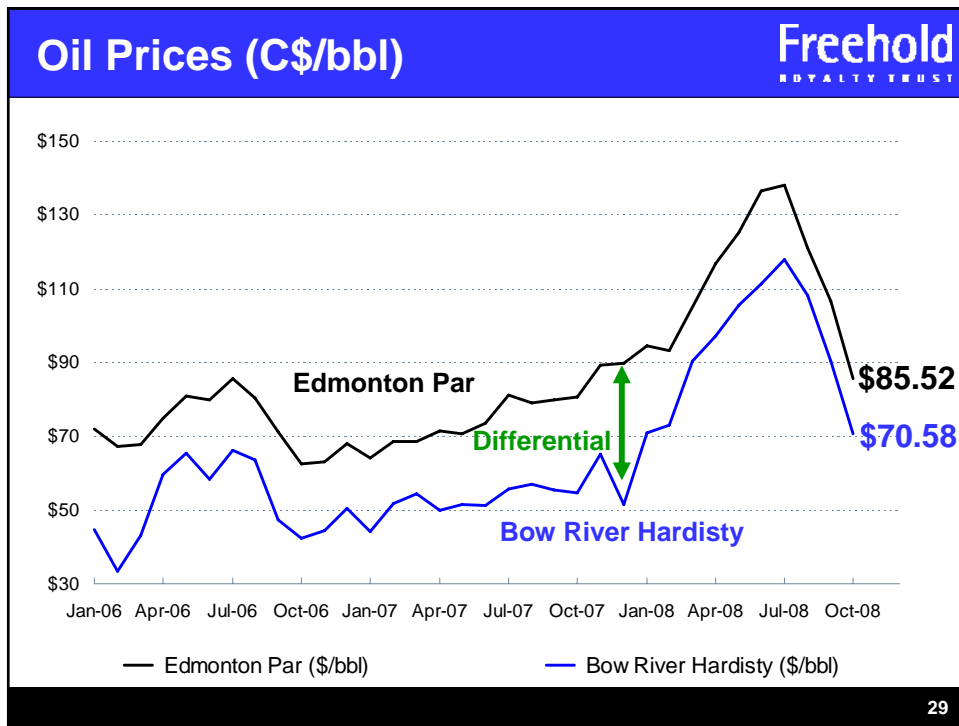


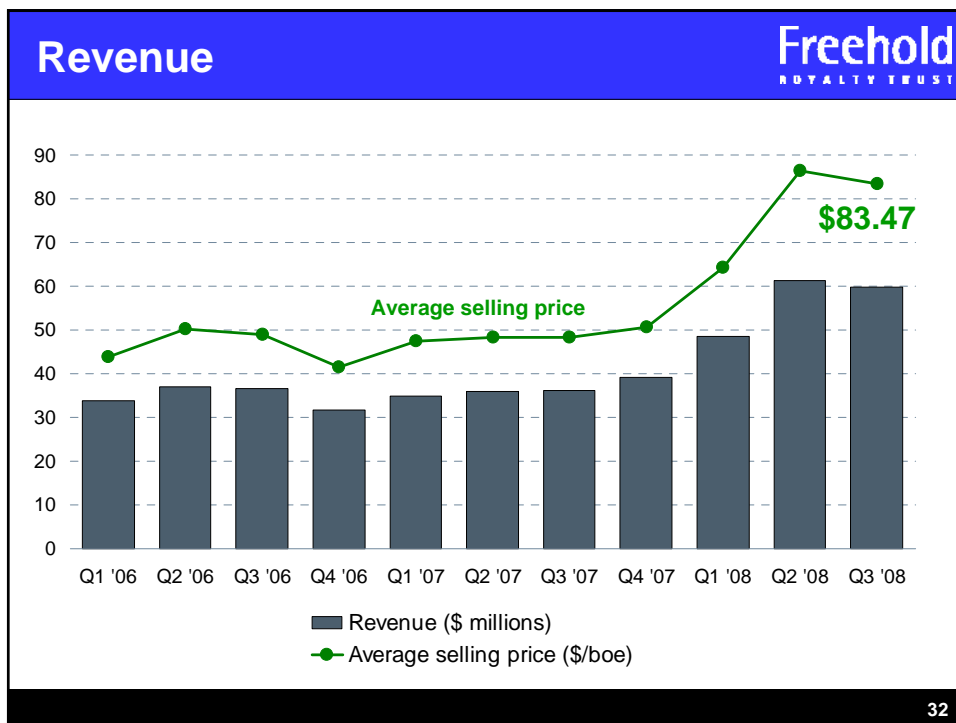
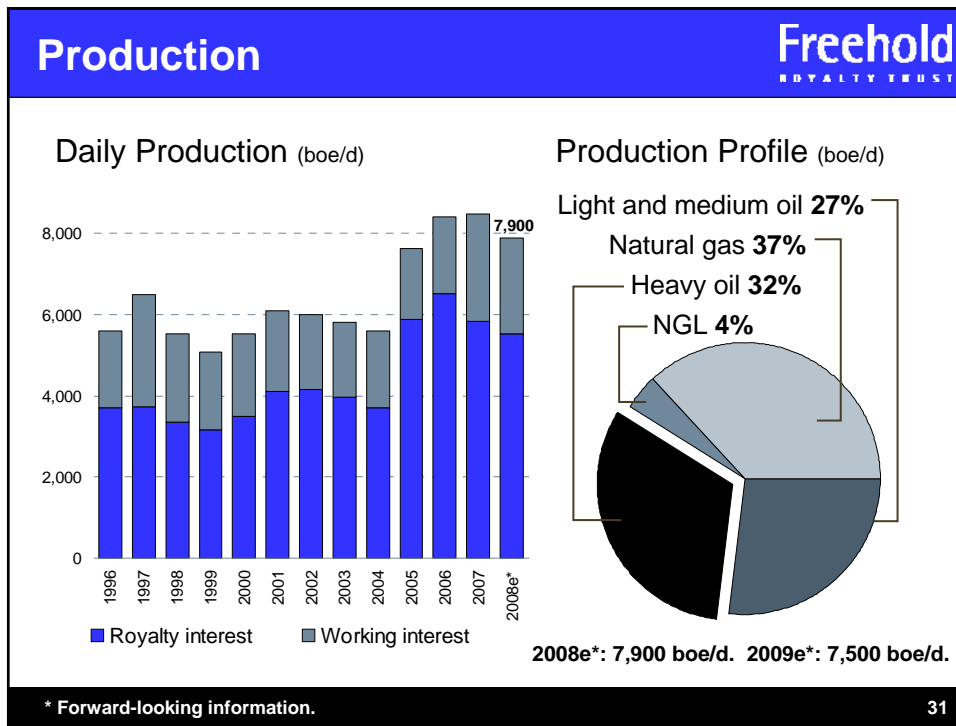
# Freehold

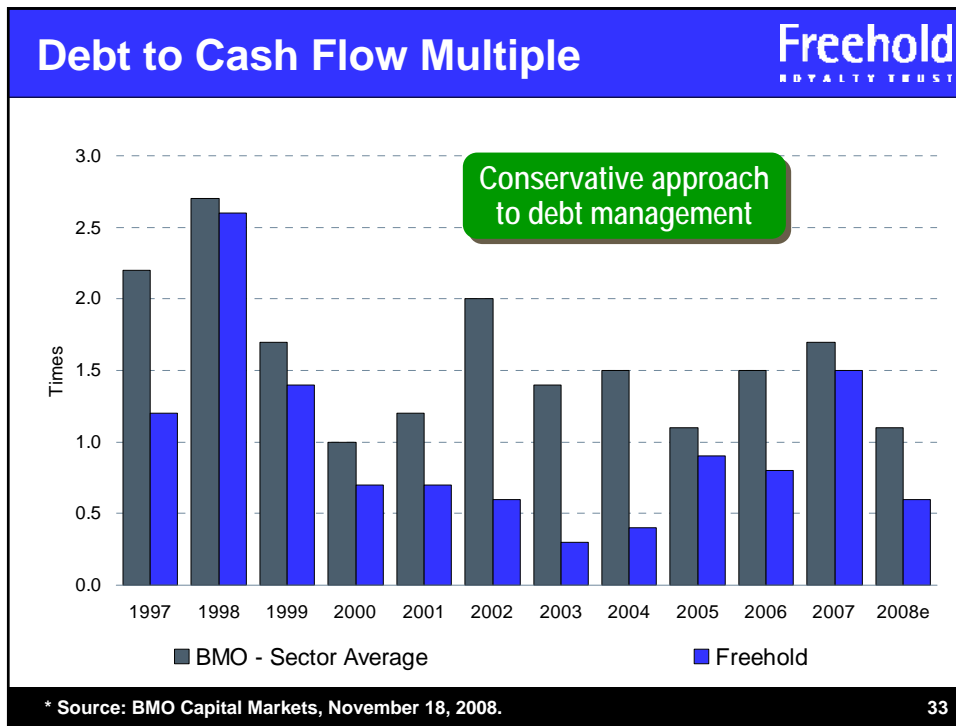
ROYALTY TRUST

Financial Update

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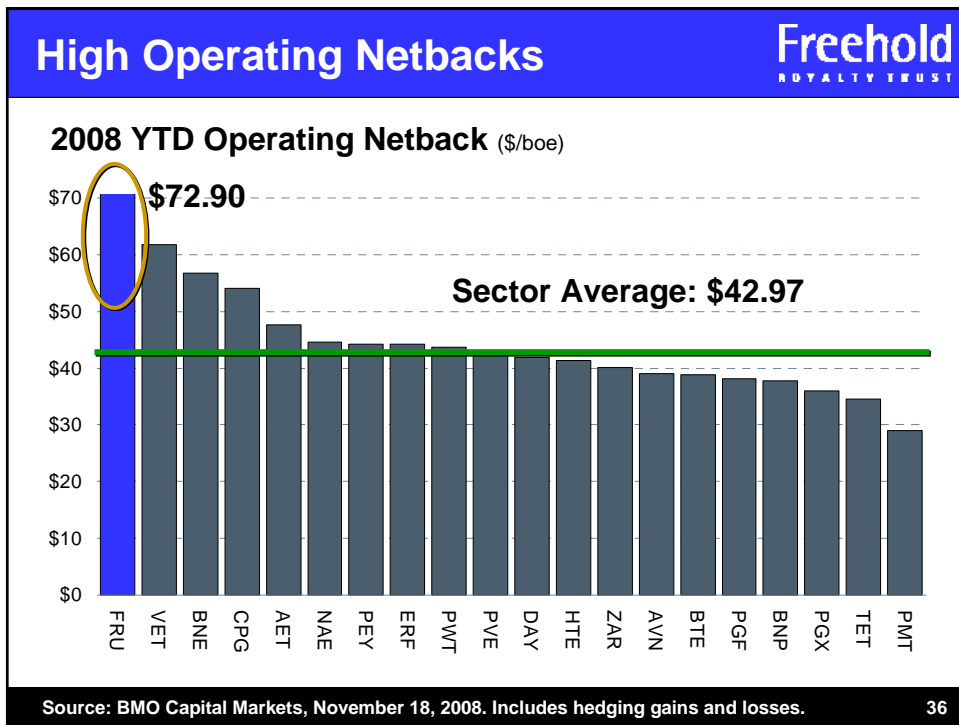
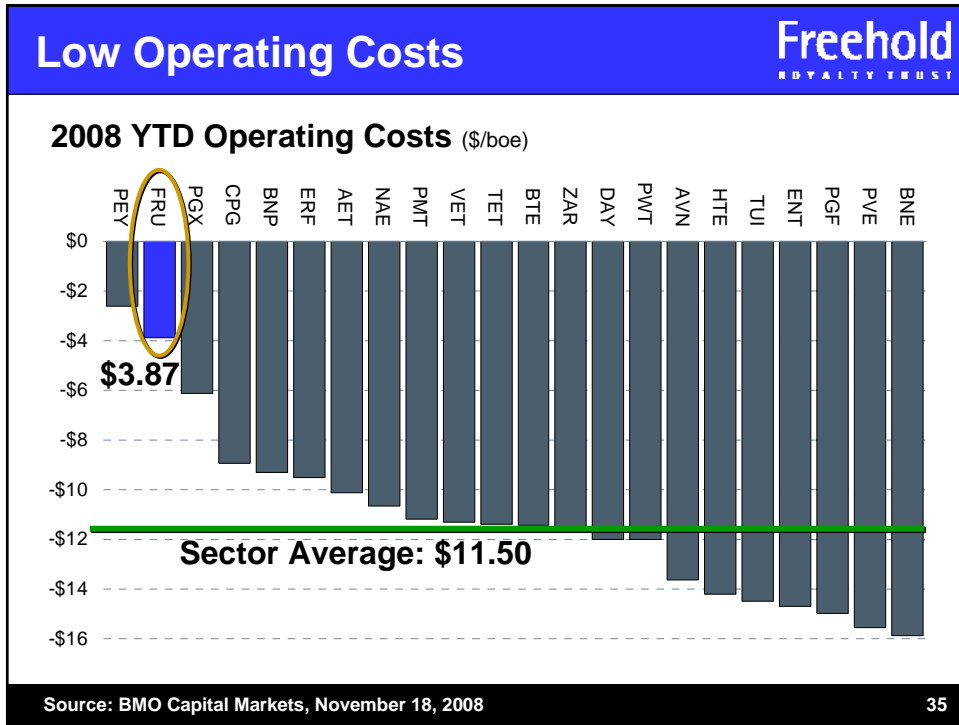


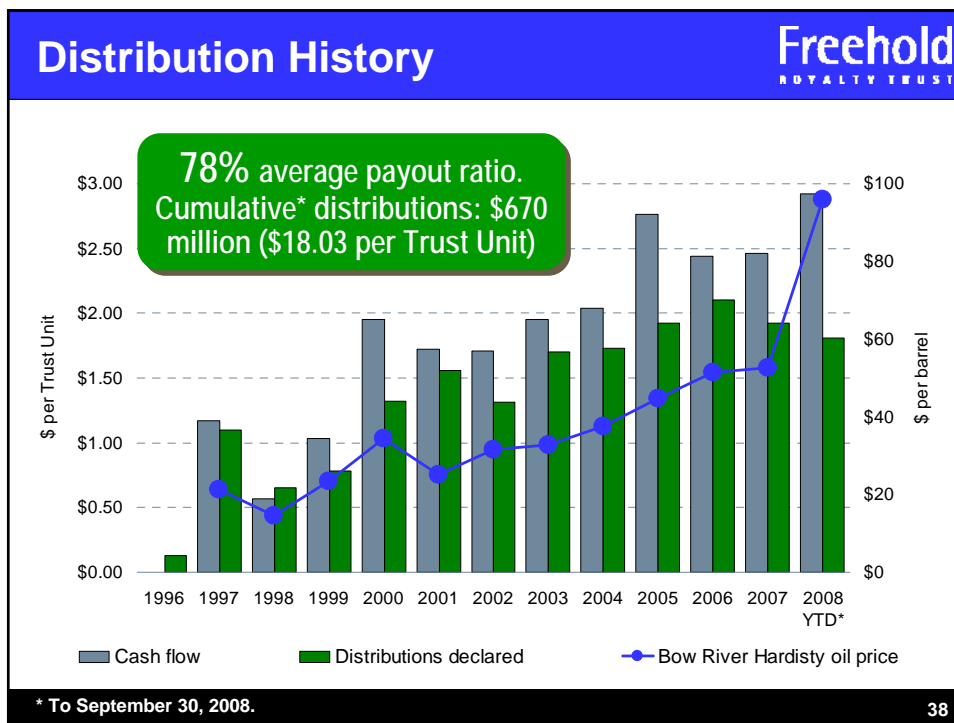
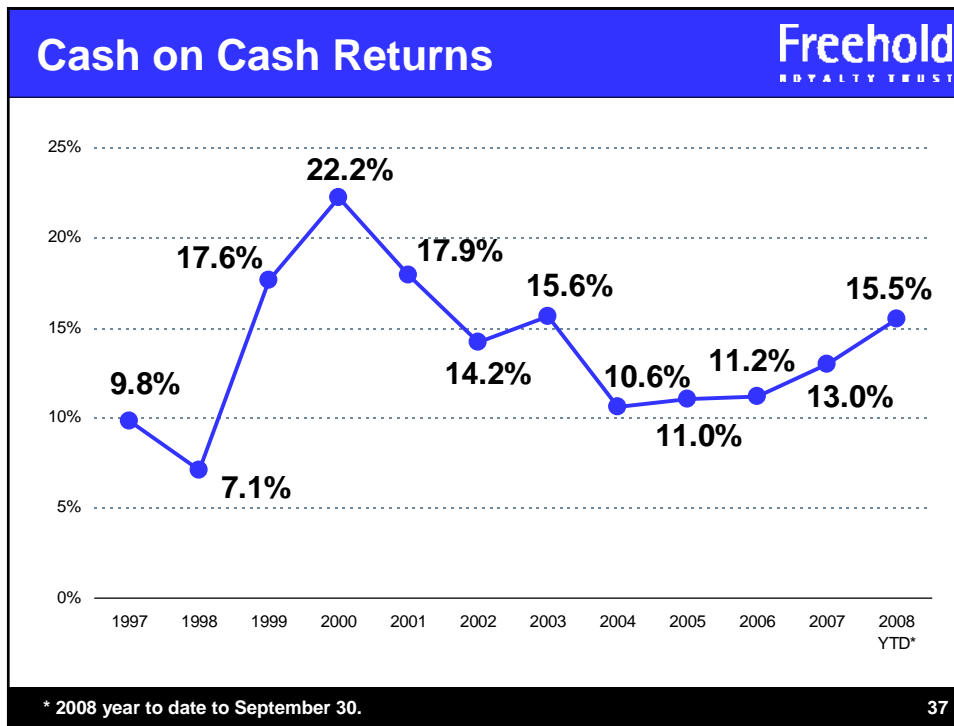
## The Royalty Advantage

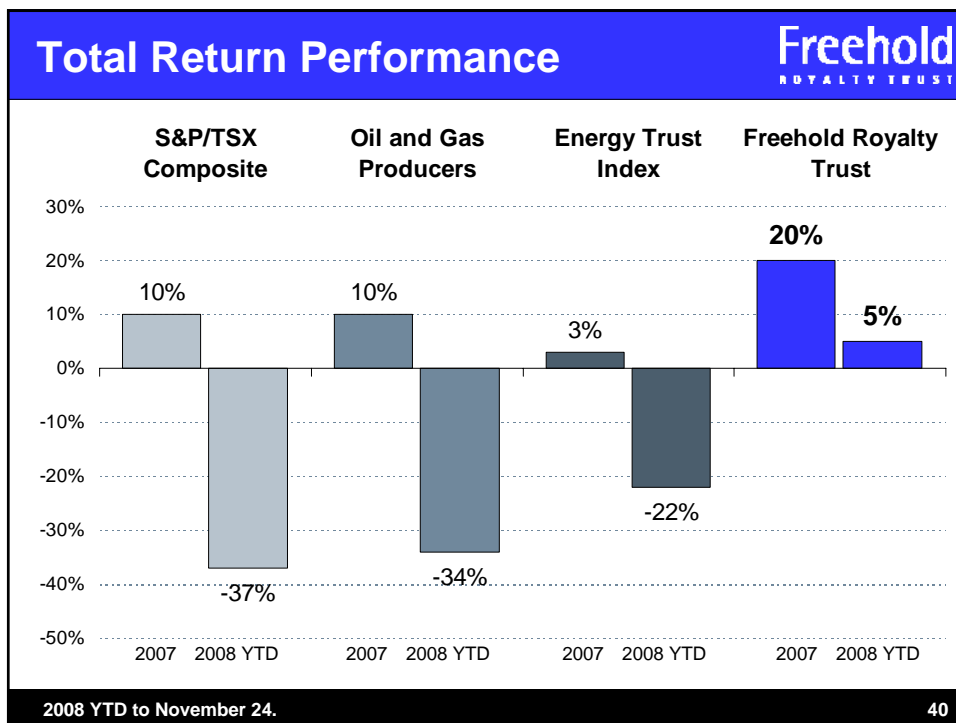
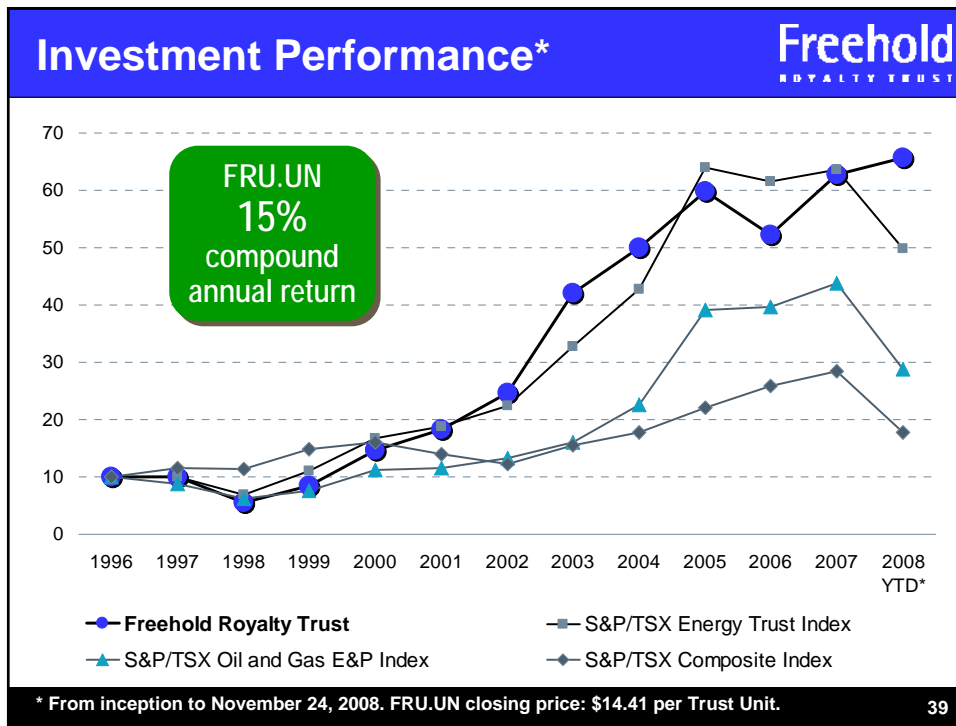


- Freehold is the only energy trust in Canada whose primary focus is on oil and gas royalty assets

**mineral title lands  
and  
gross overriding royalties**

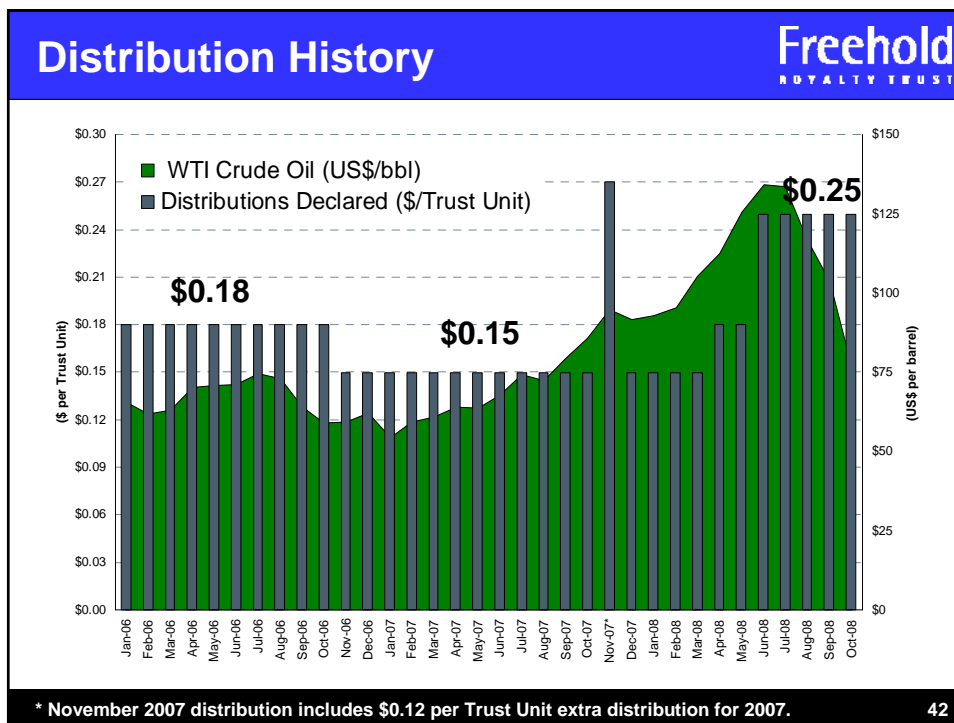






Commodity Price Assumptions*		Freehold ROYALTY TRUST
		<b>2008</b>
Average WTI oil price	(US\$/bbl)	<b>102.00</b>
Average Bow River Hardisty oil price	(Cdn\$/bbl)	<b>88.00</b>
Average light/heavy oil price differential	(Cdn\$/bbl)	<b>(19.00)</b>
Average AECO natural gas price	(Cdn\$/Mcf)	<b>8.15</b>
Average exchange rate	(Cdn\$/US\$)	<b>0.94</b>

\* As at November 5, 2008.





The image shows a rectangular box containing the logo for Freehold Royalty Trust. The logo features the word "Freehold" in a large, dark blue serif font, with "ROYALTY TRUST" in a smaller, dark blue sans-serif font below it. Two horizontal blue bars are positioned on either side of the word "Freehold". Below the logo, the website address "www.freeholdtrust.com" is written in blue, and the toll-free phone number "Toll free 1-888-257-1873" is written in green. A small number "43" is located in the bottom right corner of the box.

**Freehold**  
ROYALTY TRUST

[www.freeholdtrust.com](http://www.freeholdtrust.com)

**Toll free 1-888-257-1873**

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