

NEWS RELEASE

TSX: FRU.UN

Freehold Royalty Trust Announces a 39% Increase in Monthly Cash Distributions

CALGARY, Alberta, June 12, 2008 – Freehold Royalty Trust (“Freehold”) announces a 39% increase in the monthly distribution rate to \$0.25 per Trust Unit effective with the July 15, 2008 payment. The distribution will be payable to Unitholders of record on June 30, 2008 (ex-distribution date June 26, 2008). Including the July 15, 2008 payment, the twelve-month trailing cash distributions amount to Cdn. \$2.08 per Trust Unit.

“This is the second distribution increase for Freehold in as many months,” said David Sandmeyer, President and CEO. “Following on the heels of the 20% increase we announced in April, our distributions have increased 67% this year. These increases reflect strong commodity prices realized to date in 2008.”

Oil prices continue to set new records and natural gas prices have risen steadily through the first five months of 2008 with colder winter weather helping to draw down natural gas inventories. Our revised 2008 commodity price assumptions are based on actual prices to April 30, 2008 and the May 31, 2008 price forecast published by an independent petroleum engineering firm.

Our revised operating assumptions are outlined in the accompanying table.

2008 KEY OPERATING ASSUMPTIONS

	News Release Dated June 12, 2008	MD&A Dated	
		May 7, 2008	Feb. 27, 2008
Average daily production (boe/d)	7,900	8,200	8,200
Average WTI oil price (US\$/bbl)	114.00	100.00	85.00
Average light/heavy oil price differential (Cdn\$/bbl)	24.00	26.00	25.00
Average Bow River Hardisty oil price (Cdn\$/bbl)	90.00	73.00	60.00
Average AECO natural gas price (Cdn\$/Mcf)	8.60	6.85	6.65
Average exchange rate (Cdn\$/US\$)	0.99	0.99	1.00
Average operating costs (\$/boe)	3.85	3.85	3.85
Average general and administrative costs (\$/boe)	2.55	2.44	2.44
Capital expenditures (\$ millions)	10.6	10.6	10.6
Long-term debt at year end (\$ millions)	155	155	155
Weighted average Trust Units outstanding (thousands)	49,371	49,371	49,371
Estimated portion of distributions taxable as income (%)	90-100%	90-100%	90-100%

We expect production for the year to average 7,900 barrels of oil equivalent (boe) per day. This 4% reduction is largely related to oil volumes and is attributable to several factors. Cold weather in the first quarter of 2008 followed by wet spring conditions has caused access issues and hampered normal well servicing activities as well as delays in well completions and tie-ins. To a small extent, production declines on our royalty lands also reflect reduced industry drilling activity during 2007. Our annual maintenance turnaround at Hayter will commence this month, reducing second quarter production volumes by approximately 80 boe per day. Consequently, we anticipate that Freehold’s production will be lower in the second quarter with an uptick expected in the second half of the year.

General and administrative expenses have risen, largely due to higher staffing costs and general inflationary pressures, including a tight employment market in Alberta.

Our distribution policy takes into consideration forecasted cash provided by operating activities, debt levels, and capital expenditures. We have a declining asset base, and ongoing development activities and acquisitions are necessary to replace production and add additional reserves. The success of these activities, along with commodity prices, are the main factors influencing the sustainability of our distributions. The regular monthly distribution will be fixed at \$0.25 per Trust Unit until further notice. Recognizing the cyclical nature of our industry, we caution that significant changes (positive or negative) in commodity prices (including light/heavy oil price differentials), foreign exchange rates, or production rates will result in adjustments to the distribution level. It is also inherently difficult to predict activity levels on our royalty lands since we do not know the future plans of the various operators. Freehold is particularly vulnerable to swings in the light/heavy oil price differential, as approximately 34% of our total boe production is heavy oil.

About Freehold – Freehold’s primary focus is on acquiring and managing oil and gas royalties. Approximately 80% of production comes from royalty assets (mineral title and gross overriding royalties). 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, taxation, regulation, 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, what benefits Freehold will derive from them.

For further information, contact:

Freehold Royalty Trust
Karen Taylor
Manager, Investor Relations & Corporate Secretary
Direct: (403) 221-0891
Fax: (403) 221-0888
Toll-free: 1-888-257-1873
E-mail: ir@freeholdtrust.com
Website: www.freeholdtrust.com