

Freehold Royalty Trust Announces \$49 Million Royalty Interest Acquisitions

CALGARY, ALBERTA, (Marketwire – February 18, 2010) – Freehold Royalty Trust (Freehold or the Trust) (TSX:FRU.UN) today announced two separate acquisitions of royalty interests for a total of \$49 million after closing adjustments. These acquisitions support our strategy of focusing on oil and gas royalties and are accretive, on a debt-adjusted per unit basis, to cash flow, production, reserves and net asset value. Both acquisitions were financed through our existing credit facilities.

In the larger acquisition, Freehold acquired certain royalty interests encompassing 319,681 gross acres in Alberta, Saskatchewan, and British Columbia for \$39 million, after closing adjustments. The acquisition represents the creation of a 5% overriding royalty on 11 producing properties and the assignment to Freehold of eight small gross overriding royalty interests. Current production is 60% natural gas from 600 gross wells. Reserves were independently evaluated at 1.4 million boe proved plus probable, effective December 31, 2009, and have an estimated reserve life index of just under nine years based on annualized production of 435 boe per day. The transaction closed on February 17, 2010 and has an effective date of October 1, 2009. The acquisition is expected to add 380 boe per day to 2010 production. Freehold anticipates further development on these lands over the next several years.

In a separate transaction, we acquired certain royalty interests for approximately \$10 million after closing adjustments, expanding our presence in the multi-zone prospective deep basin region of Northwest Alberta. We acquired royalty interests on 43,214 gross acres, of which 26,400 are located in the Bigstone area of Northwest Alberta and represent the creation of a 5% overriding royalty interest. The agreement provides for a drilling contribution by Freehold of up to \$1.9 million over the next five years to assist the vendor in the development of undeveloped lands in the Bigstone area. The remaining lands (16,814 gross acres) represent the assignment to Freehold of gross overriding royalties of varying percentages of production in 12 properties in Alberta and British Columbia. Current production consists primarily of liquids rich, sweet natural gas from 15 gross wells. Reserves were independently evaluated at 325 thousand boe proved plus probable effective December 31, 2009, and have an estimated reserve life index of six years based on annualized 2010 production of 145 boe per day. The transaction closed on December 21, 2009. Future opportunities on the Bigstone lands include natural gas and shallow Cardium oil.

With additional production from these acquisitions and increased performance from Freehold's existing lands, we are revising our production guidance for 2010 to 7,600 boe per day, up from 7,000 boe per day. Royalties are expected to account for 70% of 2010 production.

Forward-Looking Statements – This news release offers our assessment of Freehold's future plans and operations as at February 18, 2010 and contains forward-looking statements including our expectations for production, future drilling, reserve life and future prospects on the acquired lands. These forward-looking statements are provided to allow readers to better understand our business and prospects and may not be suitable for other purposes. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond our control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, taxation, royalties, regulation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, and our ability to access sufficient capital from internal and external sources. Risks are described in more detail in our AIF.

With respect to forward-looking statements contained in this news release, we have made assumptions regarding, among other things, future oil and natural gas prices; future capital expenditure levels; future production levels; future exchange rates; the cost of developing and producing our assets; our ability and the ability of our lessees to obtain equipment in a timely manner to carry out development activities; our ability to market our oil and natural gas successfully to current and

new customers; our expectation for the consumption of crude oil and natural gas; our expectation for industry drilling levels; our ability to obtain financing on acceptable terms; and our ability to add production and reserves through acquisitions and our development and acquisition activities. The key operating assumptions with respect to the forward-looking statements referred to above are detailed in our 2009 third quarter report.

You 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. Our actual results, performance, or achievement could differ materially from those expressed in, or implied by, these forward-looking statements. We can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits we will derive from them. The forward-looking information contained herein is expressly qualified by this cautionary statement. Our policy for updating forward-looking statements is to update our key operating assumptions quarterly and, except as required by law, we do not undertake to update any other forward-looking statements.

Conversion of Natural Gas to Barrels of Oil Equivalent (BOE) – To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil (boe). We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 boe ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation.

About Freehold – Freehold's primary focus is on acquiring and managing oil and gas royalties. A majority of Freehold's 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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Bill Ingram, President and CEO (403) 221-0822

Darren Gunderson, Vice-President Finance and CFO (403) 221-0811

Karen Taylor, Manager, Investor Relations (403) 221-0891

Freehold Royalty Trust

Phone: (403) 221-0802

Fax: (403) 221-0888

(Toll free in Canada/U.S. 1-888-257-1873)

E-mail: ir@freeholdtrust.com

Website: www.freeholdtrust.com