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[Freehold Royalties Ltd.](#) ("Freehold" or the "Company") (TSX:FRU) announced today that it has upsized its \$18.00 per share bought deal equity financing being co-led by RBC Capital Markets and CIBC, on behalf of a syndicate of underwriters, announced April 14, 2015 from \$297 million to \$324 million (the "Public Offering"). Consequently, the over-allotment option will increase from 2,475,000 common shares to up to an additional 2,700,000 common shares to the extent it is exercised in full. The concurrent private placement to the pension trust funds for employees of Canadian National Railway Company (the "Private Placement") remains unchanged at \$33 million.

The aggregate gross proceeds to be raised by the Company pursuant to the upsized Public Offering and the Private Placement will be approximately \$357 million before giving effect to any exercise of the over-allotment option by the underwriters. If the underwriters exercise the over-allotment in full, the aggregate gross proceeds to be raised by the Company pursuant to the upsized Public Offering and Private Placement will be approximately \$406 million.

Freehold expects to use the net proceeds from the upsized Public Offering and Private Placement to complete the acquisitions from [Penn West Petroleum Ltd.](#) announced April 14, 2015 (the "Penn West Transactions") and pay down a portion of its outstanding indebtedness with the remainder.

Completion of the Penn West Transactions is subject to the receipt of regulatory approval and the satisfaction of customary closing conditions. Completion of the Public Offering and Private Placement is subject to certain conditions including normal regulatory and stock exchange approvals. In addition, the Public Offering will require that the Penn West Transactions close at or before the closing time of the Public Offering unless otherwise agreed to by the underwriters and Freehold. The closing of the Public Offering and Private Placement is expected to occur on or before May 6, 2015.

*The common shares offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

Cautionary Statement Regarding Forward-Looking Information - This news release offers our assessment of Freehold's future plans and operations as at April 15, 2015 and contains forward-looking information including, as to the expected terms of the Public Offering and Private Placement, expected use of proceeds from the Public Offering and Private Placement, and expected timing of closing the Public Offering and Private Placement. This forward-looking information is provided to allow readers to better understand our business and prospects and may not be suitable for other purposes. By its nature, forward-looking information is 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, our ability to access sufficient capital from internal and external sources, counterparties to transactions to satisfy their contractual obligations, third parties' ability and willingness to continue development of lands in which Freehold has an interest as expected, and risks inherent in the oil and gas industry. The closing of the Penn West Transactions, Public Offering and Private Placement could be delayed if Freehold or the other parties are not able to obtain the necessary regulatory and stock exchange approvals on the timelines it has planned. The Penn West Transactions, Public Offering and Private Placement will not be completed if these approvals are not obtained or some other condition to the closing of the Penn West Transactions is not satisfied. Accordingly, there is a risk that the Penn West Transactions, Public Offering and Private Placement will not be completed within the anticipated time or at all. The intended use of the net proceeds of the Public Offering and Private Placement by Freehold might change if the board of directors of Freehold determines that it would be in the best interests of Freehold to deploy the proceeds for some other purpose. Risks are described in more detail in Freehold's annual information form for the year ended December 31, 2014 which is available under Freehold's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

With respect to forward looking information contained in this news release, we have made assumptions regarding, among other things, that the Penn West Transactions, the Public Offering and the Private Placement will close on the terms and within the timing expected.

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 information. 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. The forward-looking information has been provided to indicate management's expectations with respect to future results resulting from the transactions and may not be appropriate for other purposes. Except as required by law, Freehold does not assume any obligation to publicly update or revise any forward-looking information to reflect new events or circumstances.

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