

FRONSAC

PRESS RELEASE

FOR IMMEDIATE RELEASE

September 22nd, 2014

Fronsac announces a financing

Montreal (Quebec) - (TSX-V: GAZ.UN) Fronsac Real Estate Investment Trust (“**Fronsac**”) is pleased to announce its intention to undertake a prospectus-exempted private placement for a maximum amount of 4M\$ (the “**Offering**”). The Offering will be comprised of Convertible Debentures and of Units of Fronsac. The demand of the investors will, in the end, determine in which proportion those securities will ultimately be sold.

The Units will be offered at a price of \$ 0,36 each. The non secured Convertible Debentures will bear an annual interest rate of 6% payable semi-annually, will mature five years after their issuance and be convertible into units of Fronsac at a conversion price of \$0,43. Fronsac will have the right to force the conversion, after January 1st 2017, should the closing price of the Units on the TSX Venture Exchange is higher than \$ 0,43 for a period of twenty consecutive days.

The proceeds of the Offering will be used for acquisitions and for working capital purposes.

Four insiders of Fronsac will subscribe into Debentures and/or units for an approximate amount of \$ 1,250,000 under the terms of the Offering. These subscriptions will benefit from the exemptions of the formal valuation and of the approval of the minority shareholders of sections 5.5 a) and 5.7 a) of *Regulation 61-101 Respecting Protection of Minority Security Holders in Special Transactions*, the amount to be subscribed by the insiders being less than 25 % of Fronsac’s market capitalization. The private placement is subject to compliance with applicable securities legislation and to the approval of the TSX Venture Exchange.

All Convertible Debentures, underlying Units and the Units which may be issued to purchasers under the Offering will be subject to a four-months plus one-day hold period from the closing date, pursuant to securities legislation and to the policies of the TSX Venture Exchange. The Convertible Debentures, underlying Units and Units offered in the Offering have not been nor will they be registered under the United States Securities Act of 1933, as amended, or state securities laws, and may not be offered or sold in the United States or to an account for the benefit of US persons, absent such registration or an exemption from registration.

The Offering is expected to close on or about October 6th, 2014.

About Fronsac - Fronsac Real Estate Investment Trust is an open-ended trust that acquires and owns high quality commercial real estate properties, rented to strong tenants under long term, management free and net leases.

Forward-Looking Statements

This press release contains forward-looking statements and information as defined by applicable securities laws, including statements relating to Fronsac and expectations of the management regarding a proposed transaction and the expected benefits thereof. There is no assurance that the proposed transaction will be carried out and that the anticipated benefits will materialize. The proposed transaction is subject to approval and consent of stakeholders and there is no certainty that these will be achieved. Fronsac warns the reader that actual events may differ materially from current expectations due to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in such statements. Among these include the risks related to economic conditions, the risks associated with the local real estate market, the dependence to the financial condition of tenants, the uncertainties related to real estate activities, the changes in interest rates, the availability of financing in the form of debt or equity, the effects related to the adoption of new standards, as well as other risks and factors described from time to time in the documents filed by Fronsac with securities regulators, including the management report. Fronsac does not update or modify its forward-looking statements even if future events occur or for any other reason, unless required by law or any regulatory authority.

The TSX Venture Exchange and its regulatory service provider (as that term is defined in the policies of the TSX Venture Exchange) decline all responsibility for the adequacy or accuracy of this release.

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