

PRESS RELEASE
For Immediate Release

FRONSAC ANNOUNCES THE SIGNING OF PROTOCOLS FOR THE ACQUISITION OF INTERESTS IN TWO REAL ESTATE PROPERTIES IN TROIS-RIVIÈRES AND THE APPOINTMENT OF A NEW CFO

Saint-Jean-Baptiste, February 4th, 2013 - Fronsac Real Estate Investment Trust (TSX-V: GAZ.UN) (the "Trust" or "Fronsac") announces the signing of protocols for the acquisition of interests in two real estate properties located in Trois-Rivières, Quebec.

"We are pleased to announce these agreements under which Fronsac acquires interests in two prime real estate properties. The first property is leased to a major player in the food industry which operates a convenience store with a gas station. The second property is leased to another major player in the food industry which operates a Shell gas station. Both of these acquisitions meet the investment criteria established by the direction", stated Michel Lassonde, President and CEO of Fronsac.

The first property is located at the intersection of Barkoff and Des Ormeaux streets ("Property 1") in Trois-Rivières (Cap-de-la-Madeleine). This represents an ideal location on commercial street Barkoff and adjacent to Place des Ormeaux. As part of the transaction, Fronsac will become General Partner of Limited Partnership CDM-1 ("CDM-1"), the partnership owning Property 1, by acquiring the units of two private investors (27) and part of the units of Plaza Z-Corp Properties Inc. ("Plaza Z") (23%), for an aggregate 50% interest in CDM-1. Plaza Z and two private investors will retain 17% and 33% respectively of CDM-1's units. The total consideration of \$660,000 to be paid at the closing of these acquisitions will be paid as follows:

- 1) \$184,800 will be paid in cash to one of the private investors;
- 2) \$475,200 will be paid by the issuance of 1,485,000 Preferred Units ("Units") of the Limited Partnership that will form Fronsac to acquire the interests of one of the private investors and Plaza Z in CDM-1, 536,250 preferred units in favor of one of the private investors and 948,750 preferred units in favor of Plaza Z. The units may be exchanged at any time for 1,485,000 units of Fronsac until December 31st, 2017.

Mr. Michael Zakuta, a trustee of Fronsac, is also an officer, director and indirectly one of the shareholders of Plaza Z, and therefore this transaction represents in part a related party transaction. Although some parties to the transaction transacted at arm's length, the independent trustees of Fronsac have commissioned an independent certified appraiser to obtain an external appraisal of Property 1, which valued the property between \$1,220,750 and \$1,349,750. The independent trustees approved the acquisitions since the price paid by Fronsac values Property 1 at \$1,320,000 (considering the Trust indirectly acquires 50% of the property for a total consideration of \$660,000), which is within the price range established by the independent certified

appraiser. Property 1 currently generates triple-net revenues of approximately \$98,860 annually.

The second property is located at the intersection of Barkoff Street and Exit 202 of Highway 40 ("Property 2") in Trois-Rivières (Cap-de-la-Madeleine). This represents an ideal location since it is directly at the exit of Highway 40. In accordance with the protocols, Fronsac will acquire the interest of a private investor (44%) and a part of the interest of Plaza Z (21%), for a total interest of 65% in Property 2. Plaza Z and another private investor will keep an interest of 23% and 12% respectively in Property 2. The total consideration of \$1,587,950 to be paid at the closing of these acquisitions will be paid as follows:

- 1) \$1,074,920 will be paid in cash to the private investor;
- 2) \$513,030 will be paid by the issuance, in favor of Plaza Z, of 1,603,200 Preferred Units ("Units 2") of the Limited Partnership that will form Fronsac. Units 2 may be exchanged at any time for 1,603,200 units of Fronsac until December 31st, 2017.

As in the case of the acquisition of Property 1, this represents in part a related party transaction since Michael Zakuta, a trustee of Fronsac, is also an officer, director and indirectly one of the shareholders of Plaza Z. Although a party to the transaction transacted at arm's length, the independent trustees of Fronsac have again commissioned an independent certified appraiser to obtain an external appraisal of Property 2, which valued the property between \$2,329,875 and \$2,575,125. The independent trustees approved the acquisitions since the price paid by Fronsac values Property 2 at \$2,443,000 (considering the Trust indirectly acquires 65% of the property for a total consideration of \$1,587,950), which is within the price range established by the independent certified appraiser. Property 2 currently generates triple-net revenues of approximately \$194,000 annually.

The closing of both transactions is scheduled before March 15th, 2013 with effective date of transaction February 1st, 2013, and is subject to customary conditions and the approval of the different competent authorities, including the approval of the TSX Venture Exchange.

For more information regarding these acquisitions, which are, in part, related party transactions under *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions*, please refer to the Material Change Report that will be available on SEDAR at www.sedar.com.

Fronsac is also pleased to announce the appointment of Mr. Etienne Lapointe as Chief Financial Officer of the Trust, following the resignation of Mr. Martin Grimard which takes effect on the same date.

Mr. Lapointe is a member of the Order of Chartered Accountants of Quebec and has over five years of experience in various companies. Mr. Lapointe's expertise includes

investment analysis, financing structures, financial reporting and analysis of internal controls.

Mr. Lapointe will serve as Chief Financial Officer of Fronsac on a consulting basis.

Michel Lassonde, CEO and President of the Trust, is pleased to welcome Mr. Lapointe.

It is with regret that Fronsac has accepted the resignation of Mr. Grimard and wishes to express its gratitude for his dedication and commitment over the years he served as Chief Financial Officer of the Trust. It is noteworthy that Mr. Grimard will remain Secretary and Trustee of the Trust.

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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