

**PRESS RELEASE**  
**For immediate release**

**FRONSAC REAL ESTATE INVESTMENT TRUST ANNOUNCES A PRIVATE  
PLACEMENT OF 1,6 M\$**

Saint-Jean-Baptiste (Quebec), December 23, 2011 – Fronsac Real Estate Investment Trust (“Fronsac” or the “Trust”) (TSX Venture Exchange: GAZ.UN), is pleased to announce the conclusion today of a private placement with investors pursuant to exemptions under *Regulation Respecting Prospectus and Registration Exemptions* for a gross proceeds of 1,6 M\$ and the issuance of 6,400,000 units of the Trust at \$0.25 per unit.

“We are very pleased to have closed this financing and we will continue our search for interesting real estate properties in order to increase our real estate portfolio. This financing will allow Fronsac to reduce significantly the long term debt of the Trust”, said Michel Lassonde, President and CEO of the Trust.

All the units issued to purchasers under the private placement are subject to a four months hold period from the closing date, i.e. until April 24, 2012 pursuant to securities legislation and the policies of the TSX Venture Exchange. The units offered 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.

Two insiders participated in the private placement subscribing for 300,000 units in consideration for a purchase price of \$ 75,000, which subscriptions represents 4 % of the private placement.

**About Fronsac**

Fronsac is an open-ended trust engaged in the acquisition of commercial real estate located along highways and important roads and used exclusively for the operation of fast food restaurants, convenience stores and gas stations.

*Forward-Looking Statements*

*This press release contains forward-looking statements and information within the meaning of applicable securities legislation, including statements about Fronsac and management’s expectations. There can be no assurances that the events related to such forward-looking statements will occur or that the anticipated benefits will be realized. Fronsac cautions the reader that actual events may differ considerably from current expectations, considering such know and unknown risks, uncertainties and other factors*

*which may cause actual results to differ materially from results anticipated in such forward-looking statements. Such factors include, but are not limited to, risks related to factors outside of Fronsac's control, as well as other risks and factors described from time to time in the documents filed by Fronsac with the securities regulators, including management's discussion and analysis. Fronsac disclaims any intention or undertaking to update or revise any forward-looking statements even as a result of future events or otherwise, except as required by applicable law.*

*Neither TSX Venture nor its Regulatory Services Provider (as that term defined in the policies of the TSX Venture Exchange) accepts responsibility for the proposed transaction and has not approved or disapproved the contents of this press release.*

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