

FRONSAC REAL ESTATE INVESTMENT TRUST ANNOUNCES CLOSING OF THE CONVERSION OF FRONSAC CAPITAL INC. INTO A REAL ESTATE INVESTMENT TRUST

Saint-Jean-Baptiste, Quebec, July 1, 2011 – Fronsac Real Estate Investment Trust (“Fronsac” or the “REIT”) is proud to announce that the conversion of Fronsac Capital Inc. (the “Corporation”) into a real estate investment was completed effective July 1, 2011, pursuant to a plan of arrangement under the *Canada Business Corporations Act*.

Pursuant to the arrangement agreement, the shareholders of the Corporation received one unit of the REIT for each unit held in the Corporation.

Effective on the closing of the arrangement, the REIT now indirectly owns the real estate portfolio which was owned by the Corporation prior to the conversion. The senior management and directors of the Corporation are now the senior management and trustees of the REIT

The units of the REIT are expected to commence trading on the TSX Venture Exchange under the ticker “GAZ.UN” effective July 4, 2011, at which time the shares of the Corporation will be delisted.

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 known 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 Exchange nor its Regulatory Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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