

Teranet Inc. Closes Bond Issue

Toronto, ON – August 16, 2006 – Teranet Inc., a subsidiary of Teranet Income Fund (TSX: TF.UN), announced today that it has closed its previously announced, rated private placement of senior secured bonds. Teranet Inc. issued two series of bonds: 4.668% Series 2006-1 Bonds in an aggregate principal amount of \$235 million due August 16, 2011, and 5.039% Series 2006-2 Bonds due August 16, 2016, also in an aggregate principal amount of \$235 million. Proceeds of the issue were used to repay a portion of Teranet Inc.'s outstanding indebtedness under its bank facilities.

The bonds were marketed by RBC Capital Markets as exclusive agent.

ABOUT TERANET INCOME FUND AND TERANET INC.

Teranet Income fund is an unincorporated, open-ended trust established under the laws of the province of Ontario by way of a declaration of trust. The Fund was created to indirectly acquire all of the outstanding shares of Teranet Inc. The units of the Fund trade on the Toronto Stock Exchange under the symbol TF.UN.

Teranet is a leading provider of integrated, land-based information products and services. Teranet operates in Ontario and provides access to the Ontario electronic land registration system ("ELRS") through its proprietary software application *Teraview*. This product enables customers to conduct electronic registrations as well as title and writ searches relating to real property. Teranet has the exclusive right to access the data in and operate the ELRS and the Writs of Execution database, and create and market value-added products and services in connection with the ELRS and writs until March 31, 2017. These licences extend on a non-exclusive basis in perpetuity for the ELRS and until 2047 for writs. Teranet has leveraged its core capabilities to create electronic service offerings in complementary information and e-commerce areas.

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