

Teranet Responds to Trading Activity

Toronto, ON – August 28, 2008 – At the request of Market Surveillance, on behalf of the Toronto Stock Exchange, Teranet Income Fund (TSX: TF.UN) issued the following statement in response to the recent trading activity and a news article in today's Globe & Mail.

Teranet stated that as it has previously communicated publicly, it is looking at a variety of options to maximize Unitholder value; however no decision has been made which, if any, option Teranet will pursue. While Teranet is seeking to gauge potential interest from third parties in order to determine whether a sale process would maximize Unitholder value, Teranet is not currently in negotiations with any parties regarding a sale of the Fund and it has received no formal offers for the Fund.

About Teranet

Teranet offers e-services to the legal, real estate, government, financial and healthcare markets. Teranet provides exclusive access to Ontario's Electronic Land Registration System ("ELRS"), enabling customers to conduct electronic registrations as well as title and writ searches relating to real property. Teranet has also leveraged its core competencies to create electronic service offerings in complementary areas. Teranet's comprehensive products and services include property information, transaction management, collateral risk management, geospatial information, workflow software and enterprise solutions. Teranet Income Fund units are listed on the Toronto Stock Exchange under the symbol TF.UN. For more information about Teranet, visit www.teranet.ca.

Forward-Looking Statements

This news release contains statements that, other than statements of historical fact, may be forward-looking statements about the objectives, financial condition and results of operations of the Fund. These statements are forward-looking and reflect management's current views and are based on certain assumptions and expectations. Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. No forward-looking statement is a guarantee of future results. Investors are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements do not take into account the effect that transactions or non-recurring items announced or occurring after the statements are made may have on the business. Teranet disclaims any intention or obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason, except as required by law. These statements are subject to a number of risks described in the Risks and Uncertainties section of the third quarter MD&A, which is available at www.sedar.com. Risks and Uncertainties may cause actual results to differ materially from those contained in forward-looking statements.

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