

## **Teranet Announces Appointment of Special Committee and Approval of Unitholder Rights Plan**

**Toronto, ON – September 5, 2008** –Teranet Income Fund (TSX: TF.UN) (the “Fund”) announced that the board of directors of Teranet Inc. (“Teranet”), administrator of the Fund, has established a special committee of independent directors (the “Special Committee”) to manage the process that Teranet has established and this Special Committee will also evaluate the proposal by Borealis Infrastructure Management Inc. (“Borealis”) to make an unsolicited offer to acquire all of the outstanding trust units of the Fund and Class B limited partnership units of Teranet Holdings Limited Partnership.

The Special Committee, together with Teranet’s advisors, will evaluate and consider the adequacy of Borealis’ proposal, consider the full range of alternatives to maximize unitholder value and make a recommendation to the board of Teranet. Until the Special Committee receives the offer or completes its review, it will not comment on the offer, nor will it speculate as to any future course of action it or Teranet may take.

Until Teranet provides a formal response to the unsolicited bid, unitholders are advised to take no action with respect to the Borealis offer.

The Fund also announced that its board of trustees and Teranet’s board of directors approved the adoption of a unitholder rights plan (the “Plan”) to encourage the fair and equal treatment of all unitholders in connection with any unsolicited take-over bid. The Plan is subject to all required regulatory approvals and unitholders will be asked to confirm the Plan at a special meeting of unitholders to be held within six months.

### **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](http://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 last quarter’s MD&A, which is available at [www.sedar.com](http://www.sedar.com). Risks and Uncertainties may cause actual results to differ materially from those contained in forward-looking statements.

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