

Teranet increases presence in healthcare market

Wins contracts to deliver online payment and managed recovery services across Ontario

TORONTO – October 10, 2006 - Teranet today announced it has signed two contracts that build on its existing presence in the healthcare market and leverage its core competencies of online payment systems and managed recovery capabilities.

"We have just begun to tap into the potential for our services in the healthcare market," said Donald Stokes, Healthcare Business Lead for Teranet. "There are good opportunities to use our secure infrastructure and experience managing large-scale electronic databases to pave the way to a larger position in this field."

Teranet will provide the Hamilton Niagara Haldimand Brant Local Health Integrated Network (LHIN4), comprising eight hospital corporations, with online payment services. Patients around the Golden Horseshoe will be able to pay for hospital products and services such as casts, crutches and ambulance charges quickly and easily using the Internet. This is a three-year contract with automatic renewal provisions.

"We are always looking for ways to improve service and convenience for our patients and their families," said Kathy Watts, Assistant Vice President Finance at Hamilton Health Sciences. "This system will allow patients to use our hospital website to access their account and make payments using a credit card while enabling the hospital to receive and process payments more quickly. This contract is a good example of the efficiencies that can be achieved by the newly created regional health networks."

St. Joseph's Health Centre Finance and Registration systems will benefit from managed recovery services provided by Teranet. The three-year contract will provide a back-up copy of the hospital's records updated on a weekly basis in Teranet's TruSecure certified state-of-the-art data centre. The hospital will be able to instantly transfer services to this data through a virtual private network in case of loss of power or other emergency.

About Teranet Income Fund and Teranet

Teranet Income Fund is an unincorporated, open-ended trust established under the laws 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 Inc. 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.

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 as of August 3, 2006. 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. These statements are subject to a number of risks described in the Risks and Uncertainties section of the most recent 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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