

## **Teranet Board of Trustees Waives Unitholder Rights Plan, Withdraws Recommendation that Unitholders Reject Borealis Offer**

**Toronto, ON – October 15, 2008** – The Board of Trustees of Teranet Income Fund (TSX: TF.UN) (the “Fund”) today advised Unitholders that, given current market conditions, it has withdrawn its prior recommendation that Unitholders reject an unsolicited offer dated September 12, 2008 (the “Borealis Offer”) from Borealis Acquisition Corporation, a special purpose investment entity managed by Borealis Infrastructure Management Inc. (“Borealis”). Borealis has offered to acquire all of the outstanding units of the Fund and all of the Class B limited partnership units for \$11 per unit.

The Board of Trustees of the Fund urges Unitholders to make their own decision regarding whether they wish to accept the Borealis Offer. In order to facilitate the ability of Unitholders to accept the Borealis Offer, the Board has waived the applicability of the Unitholder Rights Plan with respect to the Borealis Offer. The Board has withdrawn its prior recommendation in light of the current turmoil in the capital markets and following a comprehensive review of strategic alternatives and an extensive auction process. Based on the current status of this process, the Board believes a superior offer is unlikely to emerge before the Borealis Offer expires on Friday, October 17, 2008.

The Board of Trustees has been advised that currently one director owning 541,166 units intends to tender his units to the Borealis Offer.

Unitholders are free to determine whether or not to tender to the Borealis Offer, but should be aware that the Borealis Offer is still subject to numerous conditions. Unitholders should also be aware that if Unitholders do not tender, and the Borealis Offer is withdrawn and no other offer is forthcoming, units of the Fund may trade at a significant discount to the current market price.

The Board of Trustees has also determined that it is prepared to cooperate with Borealis to assist them in obtaining the required consents from the Province of Ontario with respect to the Borealis Offer, such consents being one of the conditions of the Borealis Offer.

The Fund intends to file a Notice of Change to the Teranet Trustees’ Circular, which was dated September 25, 2008, and to mail the Notice of Change to Unitholders with the revised recommendation shortly.

### **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 Risk Factors section of the last quarter's MD&A, which is available at [www.sedar.com](http://www.sedar.com). Risk Factors may cause actual results to differ materially from those contained in forward-looking statements.

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