

Teranet Responds to Borealis Announcement

Toronto, ON – October 28, 2008 – Teranet Income Fund (TSX: TF.UN) (the “Fund”) issued the following statement in response to the news release today from a special purpose investment entity managed by Borealis Infrastructure Management Inc. (“Borealis”) regarding Borealis’ intention to reduce the price of its previously announced cash offer (the “Offer”) to acquire all of the outstanding trust units of the Fund and all of the Class B limited partnership units of Teranet Holdings Limited Partnership from \$11 per unit to \$10.25.

The Special Committee of Teranet Inc. (“Teranet”) and the Board of Trustees of the Fund will review Borealis’ revised offer and further communicate with Unitholders in due course. Teranet noted that Borealis has not revised or waived any of the conditions in its Offer and therefore this reduced offer remains highly conditional.

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 Risk Factors section of the last quarter’s MD&A, which is available on the Teranet site at www.teranet.ca or at www.sedar.com. Risk Factors may cause actual results to differ materially from those contained in forward-looking statements.