

## **Teranet Board of Trustees Makes No Recommendation Regarding Revised Borealis Offer**

**Toronto, ON – November 3, 2008** – The Board of Trustees of Teranet Income Fund (TSX: TF.UN) (the “Fund”) said today that the Board of Trustees resolved to leave unchanged its prior decision not to make a recommendation to Unitholders, and permit Unitholders to come to their own conclusion as to whether to accept the reduced, unsolicited takeover offer for the Fund (the “Amended Offer”) from a special purpose investment entity managed by Borealis Infrastructure Management Inc. (“Borealis”).

The Amended Offer, dated October 28, 2008, is to acquire all of the outstanding units of the Fund and all of the Class B limited partnership units for \$10.25 per unit. The original Borealis offer (the “Original Offer”), dated September 12, 2008, was for \$11.00 per unit.

The Board urges Unitholders to carefully review the Amended Offer and make their own decision regarding whether they wish to accept the Amended Offer.

The Board of Trustees has carefully considered the Amended Offer, which remains highly conditional since none of the conditions in the Original Offer have been revised or waived, and has also considered the continuing turmoil in the financial markets.

The Board of Trustees also reviewed the Fund's third quarter results for 2008, which are evidence of the Fund's ability to continue to generate positive results for Unitholders in the absence of any offer.

Given on the one hand the state of the markets, and on the other hand, the reduced value of the Amended Offer and the Fund's positive third quarter results and long-term prospects, and after receiving financial advice from RBC Dominion Securities Inc. and CIBC World Markets Inc., and legal advice from Cassels Brock & Blackwell LLP, the Trustees decided not to make a recommendation with respect to the Amended Offer.

“We are disappointed that Borealis has re-priced its offer for the Fund,” said Jon N. Hagan, Chair of the Board of Trustees. “While we recognize market conditions have become more challenging in recent months, our business remains solid. As evidenced by our record third quarter results, Teranet continues to have a strong, high margin business with very stable cash flows and a solid platform for growth.”

Unitholders should be aware that if Unitholders do not tender, and the Amended Offer is withdrawn and no other offer is forthcoming, units of the Fund may trade at a significant discount to the current market price.

In recent weeks Teranet's management and advisors, with the support of Teranet's board, had numerous conversations with Borealis with the objective of firming up the original \$11 offer. Teranet has also provided valuable assistance to Borealis' efforts to obtain the required consents from the Province of Ontario. Further details are contained in the Notice of Change to the Teranet Trustees' Circular, which is dated November 3, 2008. The Notice of Change will be filed shortly with Canadian Securities regulators, and will be posted on SEDAR and the Teranet website and mailed to Unitholders.

Teranet will continue to support Borealis' efforts to obtain the required Provincial consent. Teranet has decided not to reinstate the Unitholder Rights Plan at this time.

## **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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