



TERRAVEST INCOME FUND ANNOUNCES DECEMBER 2008 DISTRIBUTION AND SPECIAL DISTRIBUTION

Vegreville, Alberta (December 16, 2008) – TerraVest Income Fund (TSX: TI.UN) announced today that it has declared a cash distribution of \$0.055 per Unit, effective with the distribution to be paid on January 15, 2009, to Unitholders of record on December 31, 2008. The ex-distribution date is December 29, 2008.

The Fund also announced that it has declared a special cash distribution of \$0.051 per Unit, payable on January 15, 2009, to Unitholders of record on December 31, 2008. The ex-distribution date is December 29, 2008.

The special cash distribution is based on the Fund's estimated taxable income for the fiscal year ended December 31, 2008 and is demonstrative of the improved performance of the Fund and its portfolio businesses during 2008. The special cash distribution is intended to ensure that the Fund will not be liable to pay income tax under Part I of the Income Tax Act for the fiscal year ended December 31, 2008.

The Fund also announced that it has acquired 174,600 Units since October 3, 2008 under the normal course issuers bid at an average price of \$3.29.

About TerraVest Income Fund

The Fund has invested in six businesses:

- RJV is one of the largest providers of wellhead processing equipment for the natural gas industry in western Canada.
- Diamond is a market leader in providing well servicing to the oil and natural gas sector in south-western Saskatchewan, with a growing presence in Alberta.
- Don Park is one of Canada's largest manufacturers and suppliers of heating, ventilation and air conditioning (HVAC) products.
- Stylus is one of Canada's leading made-to-order upholstered furniture manufacturers.
- Beco is one of the largest Canadian designers, manufacturers and importers of home textile products.

- Ezee-On manufactures heavy-duty equipment for large acreage grain farms and livestock operations.

Contact: Paul A. Casey, CA
Chief Financial Officer
Telephone: (780) 632-2040
pcasey@terravestindustries.com

Raffi Sethian
Chief operating Officer
Telephone: (416) 364-8124
rsethian@terravestindustries.com

Visit us at: www.terravestincomefund.com