

Government Strip Bond Trust**GSB.UN****Announces Semi-Annual Results**

Toronto, August 25, 2006: Government Strip Bond (the "Trust") announces results for six months ended June 30, 2006. Net realized income before distributions amounted to \$10.7 million or \$1.53 per unit. Net assets were \$130.6 million or \$20.22 per unit.

On May 23, 2006, the unitholders of the Trust approved a proposal to reposition the Trust. The Trust's investment objective is to return at least \$25.75 per unit to unitholders upon termination of the Trust on December 31, 2012. The Trust intends to achieve its investment objectives by investing in a portfolio of Zero Coupon Bonds and also hold cash and cash equivalents in an amount sufficient to cover all costs and expenses of the Trust until the Termination Date.

The Trust's investment portfolio is managed by its investment manager, Mulvihill Capital Management Inc. Trust Units are listed on The Toronto Stock Exchange under the symbol **GSB.UN**.

Selected Financial Information: (\$ Millions)	
<i>Statement of Financial Operations for the six months ended June 30, 2006 (Unaudited)</i>	
Revenue	\$0.8
Net Realized Gains	<u>11.2</u>
	12.0
Less: Expenses	<u>(1.3)</u>
Net Realized Income Before Distributions	\$10.7

For further information, contact:

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A member of the Mulvihill Capital Management Inc. Group of Funds

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