



Press Release

Government Strip Bond Trust

GSB.UN

Announces Normal Course Issuer Bid

Toronto, July 21, 2008: Government Strip Bond Trust (TSX: GSB) (the “Trust”) is pleased to announce that today, the Toronto Stock Exchange has accepted its Notice of Intention to make a normal course issuer bid. The Trust will have the right to purchase under the bid up to a maximum of 376,427 units (representing approximately 10% of the Trust’s public float) commencing July 23, 2008. The Trust may not purchase more than 75,285 of its units (representing approximately 2% of the Trust’s 3,764,270 issued and outstanding units as of July 17, 2008) in any 30-day period under the bid. Purchases made pursuant to the normal course issuer bid will be made in the open market through the facilities of the Toronto Stock Exchange. The normal course issuer bid will remain in effect until the earlier of July 22, 2009, the termination of the bid by the Trust or the Trust purchasing the maximum number of units permitted under the bid. Units purchased by the Trust pursuant to the issuer bid will be cancelled. The Trust has not purchased any units during the previous year pursuant to any issuer bid.

Management and the directors of the manager of the Trust, Mulvihill Fund Services Inc., believe that units of the Trust may become available during the proposed purchase period at prices that would make such purchases in the best interests of the Trust.

For further information, please contact:

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