



Press Release

Government Strip Bond Trust

GSB.UN

Announces Normal Course Issuer Bid

Toronto, June 30, 2006: Government Strip Bond Trust (the “Trust”) announced today that the Toronto Stock Exchange has accepted the Trust’s 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 648,853 units (representing approximately 10% of the Trust’s public float) commencing July 5, 2006. As at June 16, 2006 there were 6,528,531 units of the Trust issued and outstanding and the Trust had a public float of 6,488,531 units. 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 4, 2007, the termination of the bid by the Trust or the Trust purchasing the maximum number of units permitted under the bid. The Trust has not purchased any units during the twelve months preceding the date hereof pursuant to any issuer bid. Units purchased by the Trust pursuant to the issuer bid will be cancelled.

Management and 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, which would make such purchases in the best interests of the Trust.

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.

For further information, please contact:

John Mulvihill, President & CEO Don Biggs, Senior Vice President
Mulvihill Structured Products

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Government Strip Bond Trust
121 King Street West
Suite 2600
Toronto, Ontario M5H 3T9
(416) 681-3966 (800) 725-7172
www.mulvihill.com
hybrid@mulvihill.com