

26 February 2007

Issue of Shares

The Board of Directors of Middlefield Canadian Income Trusts Investment Company PCC (the “Company”) announces that it is considering the possibility of raising new monies in April 2007 through a placing and offer for subscription for redeemable participating preference shares of no par value (the “Shares”) in respect of Middlefield Canadian Income Trusts – GBP PC (the “Fund”), an existing cell within the Company.

The Company is a Jersey incorporated, protected cell company. The Fund is the Company’s initial cell and trades on the London Stock Exchange under the symbol MCT.L. The Fund provides investors with exposure to a broadly diversified portfolio of Canadian income trusts through a swap agreement, whose reference asset is CIT Trust, a Canadian unit trust. The swap contains provisions which hedge the currency risk to the Fund associated with its payment rights and obligations on settlement of the swap. The objective of the Fund is to produce a high income return while also seeking to preserve shareholder capital.

The Canadian government’s proposals to tax publicly quoted income trusts impacted the value of income trusts on the Toronto Stock Exchange. The Fund’s NAV and share price were also affected. However, the Shares continue to trade at a premium to NAV. The Fund has already paid two quarterly dividends of 1.75 pence per Share and, at the current mid market price, the dividend yield is now over 8%. The Fund believes that this represents an attractive yield on an equities based investment.

In present market conditions it is anticipated that the Company can fix more favourable investment terms for the remainder of the term of the swap agreement than those which were obtained on launch. This is due to movements in 3 month LIBOR and C\$ CDOR interest rates and the £/C\$ currency exchange rates. This is expected to enhance the Company’s ability to generate income and, as a result, its ability to pay dividends.

Middlefield International Limited is the investment adviser to the Fund and Middlefield Capital Corporation is the investment adviser to CIT Trust.

Further details as to the precise timing and amount of any placing and offer will be made in due course if the Board decides to proceed.

For further information, please contact any of the undersigned:

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