

FORM 27

MATERIAL CHANGE REPORT

1. Reporting Issuer:

Halterm Income Fund
Pier C - Terminal Road
PO Box 1057
Main Post Office
Halifax NS B3J 2X1

2. Date of Material Change:

February 28, 2003

3. Press Releases:

The press release describing the material change referred to herein was released via Canada Newswire on February 28, 2003 and filed on SEDAR.

4. Summary of Material Change:

Halterm Limited announced that it has received notification from Maersk Sealand of the discontinuation of the Halifax call on its North Atlantic service effective April 5, 2003.

5. Full description of the Material Change:

Halterm Limited announced that it has received notification from Maersk Sealand of the discontinuation of the Halifax call on its North Atlantic service effective April 5, 2003.

The Maersk Sealand North Atlantic service is one of two Maersk Sealand services calling at Halterm. Maersk Sealand will continue to call Halterm with its Middle East Container Line service. Maersk Sealand's decision to discontinue its Halifax call on the North Atlantic was made in response to current market conditions in North Atlantic trades.

This service represents a meaningful portion of Halterm's volume and, while the net effect is not fully known, could result in a reduction of over 15% of Halterm's cash flow assuming none of the volume is shifted to other services calling Halterm.

Halterm Income Fund is a limited purpose trust. It's wholly owned subsidiary Halterm Limited provides the logistical link between domestic and ocean going vessels, and rail and truck transportation systems, which connect the Port of Halifax to major markets in Canada and the US Midwest.

6. Reliance on Section 75 (3) of the Securities Act (Ontario), Section 81(3) of the Securities Act (Nova Scotia) and equivalent provisions in other jurisdictions:

N/A

7. Omitted Information:

N/A

8. Senior Officer:

For more information contact:

Mike Uberoi
Pier C - Terminal Road
PO Box 1057
Main Post Office
Halifax NS B3J 2X1
(902) 421-1778

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Halifax, Nova Scotia as this 10th day of March, 2003.

HALTERM INCOME FUND

Per: [signed] "Mike Uberoi"

Name: Mike Uberoi

Title: Chief Financial Officer

IT IS AN OFFENCE UNDER THE SECURITIES ACT AND THE SECURITIES REGULATION FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.