

Material Change Report
Form 51-102F3

Item 1 Name and Address of Company

Halterm Income Fund
Pier C- Terminal Road
P.O. Box 1057
Halifax, N.S. B3J 2X1

Item 2 Date of Material Change

February 11, 2005

Item 3 News Release

The press release describing the material change referred to herein was released via Canada Newswire on February 11, 2005 and filed on Sedar.

Item 4 Summary of Material Change

Halterm Income Fund announced that it has received notification from Maersk Sealand of the discontinuation of the Halifax call on it MEDGULF service, effective May 2005.

Item 5 Full Description of Material Change

The Halterm Income Fund (HAL.UN) has received notification from Maersk Sealand of the discontinuation of the Halifax call on its MEDGULF service, effective May 2005.

This was the only remaining Maersk Sealand container shipping service calling Halifax. Maersk Sealand's North Atlantic service was previously discontinued in Halifax in April 2003.

Maersk Sealand advised that, in response to higher operating costs and vessel charter rates, the MEDGULF service has been consolidated with Maersk Sealand's MEDEX service, and that the ports of Halifax and Miami were eliminated from the vessel port rotation.

The Maersk Sealand service presently represents approximately 17% of Halterm's annual container volume. The Fund intends to continue its policy of distributing all available cash, after reserves for working capital and capital expenditures, as deemed appropriate, and will monitor results in the normal course of business to determine any impact this discontinuance of service by Maersk Sealand may have on such distributions.

The Halterm Income Fund is a limited purpose trust. Its wholly-owned subsidiary, Halterm Limited, provides the logistical link between domestic and international shipping lines, and the rail and truck transportation systems, which connect the Port of Halifax to Canadian and U.S. Midwest markets.

Item 6 Reliance on subsection 7.1 of National Instrument 51-102

NA

Item 7 Omitted Information

NA

Item 8 Executive Officer

Paul Brigley
Phone: (902) 421-1778 ext 226

Item 9 Date of Report

February 21, 2005