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**KTR CAPITAL PARTNERS ANNOUNCES ACQUISITION OF A
23 BUILDING, 1.9 MILLION SF INDUSTRIAL PORTFOLIO AT CHICAGO O'HARE**

New York, NY- April 9, 2007 - KTR Capital Partners ("KTR") announced today that an affiliate has closed on the acquisition of a twenty-three (23) building industrial warehouse portfolio in and around the Chicago O'Hare marketplace totaling approximately 1.9 million SF. Sixteen (16) of the properties, constituting approximately 800,000 SF on 33 contiguous acres, are located in Schiller Park and are collectively known as the O'Hare International Plaza. The remaining properties are located in the surrounding submarkets of the O'Hare market including Elk Grove Village, Franklin Park, Itasca, Schiller Park, and Des Plaines. The portfolio is currently over 85% leased by 38 tenants.

John P. DiCola, Principal of KTR Capital Partners, stated, "Chicago is a very important market for us and we are pleased with our ability to grow our presence in a relatively short amount of time. We now own nearly 4.0 million SF in Chicago, this acquisition has more than doubled our portfolio."

Brian D. Milberg, Vice President of KTR Capital Partners added, "Each of the properties are centrally located and will greatly broaden our holdings in the O'Hare Marketplace with a variety of building sizes in either single or multi-tenant configurations. The existing availabilities are well-positioned to appeal to a diverse set of tenants that prefer an O'Hare business location. We look forward to bringing a fresh ownership perspective to the assets. "

The portfolio is being purchased from various partnerships controlled and managed by the Podolsky-Northstar Organization. Podolsky-Northstar will continue to provide leasing and management services for the buildings in the portfolio.

KTR CAPITAL PARTNERS

KTR Capital Partners is a private equity firm based in New York City that was established in November of 2004 to continue the highly successful real estate investment activities of Keystone Property Trust (formerly NYSE:KTR). Since December 1997, the KTR team has completed nearly \$2 billion of acquisitions and development. KTR is a recognized industry leader that has attracted investment capital from leading institutional investors for its first fund - Keystone Industrial Fund, L. P. - a \$500 million fund focused on value-add investments in the industrial real estate sector. The firm has offices in Suburban Philadelphia, Deerfield Beach, FL and Chicago. For further information please visit www.ktrcapital.com