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KTR CAPITAL PARTNERS ENTERS LOUISVILLE MARKET

New York, NY- December 6, 2006 - KTR Capital Partners ("KTR") announced today that it has closed on the acquisition of 7200 Global Drive, a 225,000 square foot warehouse building located on a 21 acre site in the Riverport submarket of Louisville, KY. The existing building occupies approximately 11 acres of the site and is fully leased by a quality tenant. In addition, there are 10 acres of developable land which can yield approximately 200,000 square feet of distribution space in a separate building.

Located within Jefferson Riverport International, a planned 1,800 acre industrial park, the property offers such amenities as Foreign Trade Zone Status, and access to three major rail lines. In addition, the property benefits from its location directly off the Greenbelt Highway and is in close proximity to Interstate 264 and Louisville International Airport, where a major international shipping hub is located.

Jared W. Heuer, Vice President of KTR Capital Partners stated, "This acquisition enabled us to enter and capitalize on the continued strength of the Louisville market in two ways. We were able to buy a fully leased, modern warehouse with a financially strong tenant with the ability to develop a state of the art facility next door."

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