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KTR CAPITAL PARTNERS ANNOUNCES \$100 MILLION FIXED-RATE FINANCING

New York, NY- May 9, 2006 – KTR Capital Partners (“KTR”) announced that it has obtained a \$100 million secured credit facility with PPM Finance, Inc. The loan was sought on behalf of Keystone Industrial Fund, L. P. (the “Fund”).

The loan has a 10-year term with a fixed rate of 5.57% with interest only payments for the first five years and 30-year amortization thereafter. Other key terms of the financing allow KTR to substitute and release collateral as long as certain underwriting conditions are met. The first stage of funding, which closed on April 28th, was \$47 million and the proceeds were used to repay two floating rate mortgages and pay down borrowings from the Fund’s current subscription line of credit. KTR expects that the remaining proceeds of the loan will be funded within the next six months.

Commenting on the announcement, J. Peter Lloyd, KTR Capital Partners’ Chief Financial Officer, stated “This new financing enables us to lock into a low, long-term interest rate with terms that allow us to have considerable flexibility throughout the life of the loan. The financing enables us to reduce the Fund’s exposure to floating rate debt and reduce current borrowing costs. ”

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.

PPM FINANCE

PPM is an investment management company based in Chicago. A majority of its investments are for affiliated insurance companies. The real estate group of PPM provides a wide array of commercial mortgage financing products to clients across the United States. One of the focuses is multi-asset portfolios with quality institutional sponsors where flexibility and customization are required.