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**KTR CAPITAL PARTNERS ACQUIRES
REDEVELOPMENT SITE IN FRANKLIN PARK, IL**

New York, NY- July 17, 2006 - KTR Capital Partners ("KTR") announced today that it has closed on the acquisition of 3710 - 3720 N. River Road, a 23-acre property currently improved with a 500,000 square foot industrial building. Located approximately 3 miles from the South Cargo entrance at O'Hare International Airport, KTR intends to redevelop the site into a new modern distribution center totaling approximately 400,000 square feet. Upon completion, the project will be comprised of two new buildings featuring 30' clear heights, a high ratio of dock doors and ample excess trailer parking. The buildings are designed to meet the requirements of sophisticated logistics companies including air freight customers. The project will be known as the O'Hare East Business Center and KTR plans to begin construction within the next 45 days with an expected delivery in Spring 2007.

Purchased on behalf of Keystone Industrial Fund, this is the sixth property KTR has acquired in Chicago during the last 12 months. Once redeveloped, the O'Hare East Business Center will bring KTR's total Chicago portfolio to nearly 2 million square feet.

John P. DiCola, Principal of KTR Capital Partners stated, "Chicago is a key market for us and we are pleased with the market presence we've carved out in a relatively short period of time. O'Hare East will be our first ground-up development in the Chicago metropolitan area and we are excited to deliver some of the most functional Class-A product to the O'Hare marketplace."

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.