



News Release

Foremost Income Fund - FMO.UN

..... for Immediate Release

Foremost Income Fund Acquires Brahma Compression Ltd.

July 8, 2010 – Calgary, Alberta – Foremost Income Fund (the “Fund”) is pleased to announce that it has acquired all of the issued shares of Brahma Compression Ltd. (“Brahma”). Brahma is a recognized leader within the gas compression market for the design and manufacture of sub-200 horsepower compressors. This synergistic business will allow the Fund to better market its existing natural gas compression and separator product lines. These products and services will now be focused on providing a broader base of customers with an emphasis of being better served by one of Canada’s largest oil and gas production and storage equipment manufacturers. Brahma’s head office and 32,000 square foot manufacturing facility are located in Calgary, Alberta, with service and support provided throughout Alberta and parts of British Columbia. Brahma’s existing management team will continue to operate the business with an attention to outstanding product quality and customer service.

Brahma is expected to generate between \$10 million to \$25 million of incremental revenues on an annualized basis, as it becomes well integrated over the next several years.

Acquisition costs, to be financed by the Fund’s current cash position, will be in the range of approximately \$8.7 million in cash and the assumption of debt, subject to closing adjustments, plus contingent consideration based on future earnings.

The Fund is an unincorporated open end mutual fund trust conducting its business through Foremost Universal LP (“Universal”) and Foremost Industries LP (“Foremost”). The Fund derives its operational income from both Universal and Foremost. Universal’s overall business is focused on the oil and gas industry and contains the business units of: Universal Industries, a manufacturer of oil treating systems, shop and field storage tanks; Maloney Industries, a manufacturer of medium- to large-scale oil and gas process treating equipment; Stettler Universal Limited Partnership, a gas separator manufacturer; Corlac Industries; Peace Land Fabricating and Supply Ltd. and De-In Industries Ltd., all shop tank manufacturers. Foremost is comprised of the business unit of Foremost Industries, a manufacturer of custom equipment used for the oil and gas, construction, water-well and mining industries.

On behalf of the Trustees
Foremost Income Fund

[signed: J.T. Grenon]

James T. Grenon, Trustee

FORWARD-LOOKING STATEMENT

Certain statements in this news release may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this news release, such statements use words such as “may”, “will”, “expect”, “believe”, “plan” and other similar terminology. These statements reflect management’s current expectations regarding future events and operating performance and speak only as of the date of this news release. These forward-looking statements involve a number of risks and uncertainties, including: the impact of general economic conditions, industry conditions, changes in laws and regulations, increased competition, fluctuations in commodity prices and foreign exchange, and interest rates and stock market volatility.

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