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Sunstone Opportunity Fund (2004) Limited Partnership

SRAI Capital Corp.

910 – 925 West Georgia Street

Vancouver, BC V6C 3L2

Announcement of First Acquisition

Vancouver, BC - January 6, 2005: Sunstone Opportunity Fund (2004) Limited Partnership (“Sunstone (2004) LP”) and SRAI Capital Corp., a subsidiary of Knightswood Financial Corp., (“SRAI”, and collectively with Sunstone (2004) LP, the “Issuers”) today announce that they have successfully completed the acquisition of an undivided beneficial interest in 1425 Kebet Way for a purchase price of \$3,765,187 plus standard closing costs and adjustments. Sunstone (2004) LP funded the acquisition with cash and a \$2,823,890 new first mortgage on the property in favour of Canadian Western Bank. The interest rate on the mortgage is 4.85%. Legal title to the property is held by a private nominee British Columbia corporation, as bare trustee for Sunstone (2004) LP which holds the beneficial interest in the property.

The property is located in the Meridian Industrial Park in Port Coquitlam, British Columbia and is a 47,693 square foot concrete warehouse that was constructed in 1993, with an overall site area of 2.18 acres. The warehouse has been fully leased since its development and the cash flow from the property meets the threshold yield for the preferred return for the Sunstone (2004) LP investment. The property is well-situated, and is fully serviced by all standard municipal utilities.

For additional information, please contact Darren Latoski at (604)-681-5959.

SUNSTONE OPPORTUNITY FUND (2004)

SRAI CAPITAL CORP.

LIMITED PARTNERSHIP

**by its General Partner, Sunstone
Advisors (Canada) Inc.**

“Darren Latoski” and “Steve Evans”
Director(s)

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Director(s)