

PRESS RELEASE

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**AMERICA FIRST TAX EXEMPT INVESTORS L.P.
REPORTS THIRD QUARTER FINANCIAL RESULTS**

Omaha, NE- November 10, 2008- On November 7, 2008, America First Tax Exempt Investors, L.P. and subsidiary (NASDAQ: ATAX) (the "Company"), reported its financial results for the quarter and nine months ended September 30, 2008 on its Quarterly Report on Form 10-Q. The Company reported net income of \$162,000 and net income allocated to Beneficial Unit Certificate ("BUC" or "share") holders of \$1.2 million or \$0.09 per share for the quarter ended September 30, 2008. For the nine months ended September 30, 2008, the Company reported net income of \$448,000 and net income allocated to BUC holders of \$2.9 million or \$0.22 per share.

As discussed further below, management utilizes a calculation of Cash Available for Distribution ("CAD") as a means to determine the Company's ability to make distributions to BUC holders. We believe that CAD provides relevant information about the Company's operations and is necessary along with net income for an understanding of the Company's operating results. CAD generated during the third quarter ended September 30, 2008, was \$1.7 million, or \$0.13 per share, compared to \$1.9 million or \$0.14 per share in 2007. CAD generated for the first nine months was \$4.7 million, or \$0.35 per share, compared to approximately \$4.6 million, or \$0.38 per share, in the first nine months of 2007.

The Company intends to issue BUCs from time to time to raise additional equity capital as needed to fund investment opportunities. Raising additional equity capital for deployment into new investment opportunities is part of our overall growth strategy. We believe that current market conditions have created significant investment opportunities, and by raising additional capital, we will seek to aggressively pursue those opportunities. More specifically, the current credit crisis has severely disrupted the financial markets, and in our view, it has also created significant potential long-term investment opportunities. The evaluation of proper credit spreads and re-pricing of risk is resulting in the opportunity for placing a higher yield on potential investments. Additionally, other significant participants in the multifamily housing debt sector are either reducing their participation in the market or are seeking to downsize their existing portfolio of investments. We believe this is creating opportunities to acquire existing tax-exempt bonds on the secondary market at attractive yields. The ability to acquire existing assets on the secondary market is important as primary market activity, specifically the issuance of new tax-exempt bonds, is currently limited. We believe that having the ability to acquire assets on the secondary market while maintaining the ability and willingness to also participate in primary market transactions will put us in a unique position of strength.

The current credit crisis is also providing the potential for investments in distressed assets. We believe an opportunity exists to acquire distressed bonds at a discount which would allow for the debt to be restructured into viable, current market rate investments. The ability to restructure existing debt together with the ability to improve the operations of the underlying apartment properties through our affiliated property management company, America First Property

Management Company, LLC, results in a valuable tax-exempt bond investment which is supported by the valuable collateral and operations of the underlying real property. We believe the Company is uniquely positioned to selectively acquire distressed assets, restructure debt and improve operations thereby creating value to BUC holders in the form of a strong tax-exempt bond investment.

In January 2007, the Company filed a Registration Statement on Form S-3 with the SEC relating to the sale of up to \$100.0 million of its BUCs. Pursuant to this Registration Statement, in April 2007 the Company issued, through an underwritten public offering, a total of 3,675,000 BUCs at a public offering price of \$8.06 per BUC. This Registration Statement remains active with the SEC and is available for the Company to conduct further underwritten public offerings for the sale of up to approximately \$70.4 million BUCs. Additionally, in October 2008, the Company filed a Registration Statement on Form S-3 with the SEC relating to a Rights Offering. Pursuant to this Registration Statement, the Company may issue Rights Certificates to existing BUC holders. Each Rights Certificate will entitle the holder to purchase additional BUCs at a price established in the Rights Offering. One Rights Certificate will be issued for every four BUCs owned at the time of the offering. The Company has not yet determined when, or if, an underwritten offering or a Rights Offering will be conducted.

The Company and its predecessor partnership have been continuously operating this business since 1985 and have consistently distributed tax-exempt income to our investors for over 90 consecutive quarters. The Company remains committed to executing its business plan and generating steady, predictable distributions of predominantly tax exempt income to its investors.

Cash Available for Distribution (“CAD”)

Management utilizes a calculation of Cash Available for Distribution (“CAD”) as a means to determine the Partnership’s ability to make distributions to BUC holders. The General Partner believes that CAD provides relevant information about the Partnership’s operations and is necessary along with net income for an understanding of the Partnership’s operating results. To calculate CAD, amortization expense related to debt financing costs and bond reissuance costs, Tier 2 income due to the General Partner as defined in the Partnership’s Agreement of Limited Partnership, interest rate derivative expense or income, provision for loan losses, impairments on bonds and losses related to variable interest entities (“VIE’s”) including depreciation expense are added back to the Company’s net income (loss) as computed in accordance with accounting principles generally accepted in the United States of America (“GAAP”). There is no generally accepted methodology for computing CAD, and the Company’s computation of CAD may not be comparable to CAD reported by other companies. Although the Company considers CAD to be a useful measure of its operating performance, CAD should not be considered as an alternative to net income or net cash flows from operating activities which are calculated in accordance with GAAP.

The following tables show the calculation of CAD for the quarter and nine months ended September 30, 2008 and 2007.

About America First Tax Exempt Investors, L.P.

America First Tax Exempt Investors, L.P. was formed for the primary purpose of acquiring, holding, selling and otherwise dealing with a portfolio of federally tax-exempt mortgage revenue bonds which have been issued to provide construction and/or permanent financing of multifamily residential apartments. The Company is pursuing a business strategy of acquiring additional tax-exempt mortgage revenue bonds on a leveraged basis in order to: (i) increase the amount of tax-exempt interest available for distribution to its investors; (ii) reduce risk through asset diversification and interest rate hedging; and (iii) achieve economies of scale. The Company seeks to achieve its investment growth strategy by investing in additional tax-exempt mortgage revenue bonds and related investments, taking advantage of attractive financing structures available in the tax-exempt securities market and entering into interest rate risk management instruments. America First Tax Exempt Investors, L.P. press releases are available on the World Wide Web at www.ataxfund.com.

Information contained in this Press Release contains “forward-looking statements” relating to, without limitation, future performance, plans and objectives of management for future operations and projections of revenue and other financial items, which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate” or “continue” or the negative thereof or other variations thereon or comparable terminology. Several factors with respect to such forward-looking statements, including certain risks and uncertainties, could cause actual results to differ materially from those in such forward-looking statements. Many of these risks and uncertainties are described in filings made by the Company with the Securities and Exchange Commission, including its annual reports on Form 10-K, its quarterly reports on Form 10-Q and its current reports on Form 8-K.