

PRESS RELEASE
FOR IMMEDIATE RELEASE
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**AMERICA FIRST TAX EXEMPT INVESTORS, L.P. ANNOUNCES EXERCISE OF
OVER-ALLOTMENT OPTION**

Omaha, NE – April 26, 2007 – America First Tax Exempt Investors, L.P. (Nasdaq: ATAXZ, or “America First”), announced today that the underwriters of its recently completed public offering have exercised their over-allotment option to purchase an additional 450,000 shares representing assigned limited partnership interests at the initial offering price of \$8.06 per share. The over-allotment option was granted in connection with the public offering of 3,225,000 shares which closed on April 10, 2007. Gross proceeds from the offering, including the proceeds from the over-allotment shares, will be approximately \$29.6 million. The closing of the over-allotment is expected to occur on April 30, 2007.

This press release does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the shares in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state or jurisdiction. The lead manager for the offering is RBC Capital Markets Corporation and the co-manager is Stifel, Nicolaus & Company, Incorporated. The offering may be made only by means of a prospectus and a related prospectus supplement, copies of which may be obtained from RBC Capital Markets Corporation, One Liberty Plaza, New York, New York 10006, (212) 428-6260. Also, a final prospectus supplement and accompanying base prospectus have been filed with the Securities and Exchange Commission and is available on the SEC’s website at www.sec.gov.

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. Our general partner is America First Capital Associates Limited Partnership 2, whose general partner is The Burlington Capital Group LLC (“Burlington”). Since 1984, Burlington has specialized in the management of investment funds, many of which were formed to acquire real estate investments such as tax-exempt mortgage revenue bonds, mortgage securities and multifamily real estate properties. For additional information about America First, please visit America First’s website at www.ataxz.com.