



PRESS RELEASE

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COMINAR ANNOUNCES REDEMPTION OF SERIES A DEBENTURES AND FILING OF BASE SHELF PROSPECTUS

Québec City, Québec, May 23, 2012 – Cominar Real Estate Investment Trust (“**Cominar**”) (TSX: CUF.UN) has exercised today its right to redeem its Series A 6.30% convertible unsecured subordinated debentures maturing on June 30, 2014 (the “**Series A Debentures**”) in accordance with the terms of the trust indenture dated September 14, 2004 governing the Series A Debentures. The redemption of the Series A Debentures will be effective on June 29, 2012 (the “**Redemption Date**”). Upon redemption, Cominar will pay to the holders of Series A Debentures a redemption price (the “**Redemption Price**”) equal to the outstanding principal amount of the Series A Debentures to be redeemed, together with all accrued and unpaid interest thereon up to but excluding the Redemption Date, for a total of \$1,030.98 per \$1,000 principal amount of Series A Debentures, less any taxes required to be withheld or deducted. The aggregate principal amount of Series A Debentures currently outstanding is \$14,077,000. Cominar intends to draw funds to pay the Redemption Price from its credit facility.

The Series A Debentures are listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the trading symbol “CUF.DB” and may be converted in accordance with their terms into units of Cominar (the “**Units**”) until June 28, 2012. The Series A Debentures are convertible at a conversion price of \$17.40 for each Unit, so that approximately 57.4713 Units will be issued for each \$1,000 principal amount of Series A Debentures converted.

As it is currently contemplated that all Series A Debentures will be redeemed, Cominar intends to have same be delisted from the TSX at the close of business on the Redemption Date.

Filing of Shelf Prospectus

Cominar further announced that it has filed a preliminary short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada. Once a visa for the final short form base shelf prospectus has been obtained from the applicable Canadian securities regulatory authorities, this will enable

Cominar to offer for sale and issue unsecured debt securities, including without limitation, senior unsecured debentures and convertible unsecured subordinated debentures of Cominar (collectively, the “**Debt Securities**”) having an offer price of up to \$750,000,000 in the aggregate from time to time during the 25-month period during which the shelf prospectus remains valid. The specific variable terms of any offering of Debt Securities will be set forth in one or more prospectus supplements.

This preliminary short form base shelf prospectus was filed concurrently with the final short form prospectus regarding the previously announced offering, on a bought deal basis, of 6,330,000 Units to a syndicate of underwriters led by National Bank Financial Inc. and BMO Capital Markets at a price of \$23.70 per Unit, together with an over-allotment option to purchase 949,500 additional Units at the same price per Unit.

This news release does not constitute an offer to sell Debt Securities, nor is it a solicitation of an offer to buy Debt Securities, in any jurisdiction. The Debt Securities have not been and will not be registered under the *United States Securities Act of 1933* and accordingly will not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, except pursuant to applicable exemptions from the registration requirements.

Profile as at May 23, 2012

Cominar is the third largest diversified real estate investment trust in Canada and currently remains the largest commercial property owner in the Province of Québec. Cominar owns a real estate portfolio of 413 high-quality properties, consisting of 82 office, 158 retail and 173 industrial and mixed-use buildings that cover a total area of 30.6 million square feet in Québec, Ontario, the Atlantic Provinces and Western Canada. Cominar’s objectives are to pay growing cash distributions to unitholders and to maximise unitholder value by way of proactive management and the expansion of its portfolio.

Forward-Looking Statements

This press release may contain forward-looking statements with respect to Cominar and its operations, strategy, financial performance and financial condition. These statements generally can be identified by the use of forward-looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intend”, “believe” or “continue” or the negative thereof or similar variations. The actual results and performance of Cominar discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulation and the factors described under “Risk Factors” in the Annual Information Form of Cominar. The cautionary statements qualify all forward-looking statements attributable to Cominar and persons

acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release.

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For Further Information:

Mr. Michel Dallaire, P.Eng.
President and Chief Executive Officer, Cominar Real Estate Investment Trust
(418) 681-8151

Mr. Michel Berthelot
Executive Vice President and Chief Financial Officer, Cominar Real Estate Investment Trust
(418) 681-6300 ext. 2266