



**PRESS RELEASE**

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**For Immediate Distribution**

**COMINAR ANNOUNCES \$110 MILLION ISSUE OF CONVERTIBLE DEBENTURES**

Québec City, Québec, September 19, 2007 – Cominar Real Estate Investment Trust (“Cominar”) (TSX: CUF.UN) announces today that it has entered into an agreement to sell, on a bought deal basis, \$110,000,000 aggregate principal amount of convertible unsecured subordinated debentures of Cominar (the “Debentures”) to a syndicate of underwriters led by National Bank Financial Inc. The proceeds from the sale of the Debentures will be used to reduce outstanding indebtedness incurred under Cominar’s principal credit facility and for general trust purposes.

The Debentures bear an interest rate of 5.8% per annum payable semi-annually in arrears on September 30 and March 31 in each year commencing on March 31, 2008, and will mature on September 30, 2014 (the “Maturity Date”). The Debentures will be convertible at the holder’s option into units of Cominar (the “Units”) at any time prior to the earlier of the Maturity Date and the date fixed for redemption at a conversion price of \$25.25 per Unit (the “Conversion Price”), being a ratio of approximately 39.604 Units per \$1,000 principal amount of Debentures. The Debentures will not be redeemable before September 30, 2010. On and after September 30, 2010 and prior to September 30, 2012, the Debentures may be redeemed in whole or in part from time to time at Cominar’s option provided that the volume weighted average trading price for the Units is not less than 125% of the Conversion Price. On and after September 30, 2012 and prior to the Maturity Date, the Debentures may be redeemed in whole or in part from time to time at Cominar’s option at a price equal to their principal amount plus accrued interest. Subject to regulatory approval, Cominar may satisfy its obligation to repay the principal amount of the Debentures on redemption or at maturity, in whole or in part, by delivering that number of Units equal to the amount due divided by 95% of the market price for the units at that time, plus accrued interest in cash.

Cominar has also granted the underwriters an over-allotment option to purchase an additional number of Debentures equal to 15% of the size of the offering. The over-allotment option may be exercised until 30 days following the closing of the offering.

The Debentures and the underlying Units 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. The offering is subject to normal regulatory approvals including approval of the Toronto Stock Exchange and is expected to close on or before October 10, 2007.

#### Portfolio as at September 19, 2007

Cominar is one of the largest retail property owners and managers in the Province of Québec. Cominar owns a real estate portfolio of 206 high quality properties, consisting of 37 office, 36 retail and 133 industrial and mixed-use buildings that cover a total area of over 17.2 million square feet in the Greater Quebec City, Montreal and Gatineau/Ottawa areas. Cominar's objectives are to deliver growing cash distributions to its unitholders and to maximize unitholder value through proactive management and the growth of its portfolio.

#### Forward-Looking Statements

This press release may contain forward-looking statements with respect to Cominar Real Estate Investment Trust and its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Cominar Real Estate Investment Trust 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 Real Estate Investment Trust. The cautionary statements qualify all forward-looking statements attributable to Cominar Real Estate Investment Trust and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and Cominar Real Estate Investment Trust has no obligation to update such statements.

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For Further Information:

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