

COMINAR REIT ANNOUNCES \$100 MILLION CONVERTIBLE DEBENTURE ISSUE

FOR IMMEDIATE RELEASE

Quebec, Quebec (August 30, 2004) – Cominar REIT (TSX: CUF.UN) today announced that it has entered into an agreement to sell to a syndicate of underwriters led by National Bank Financial Inc., on a bought deal basis, \$100,000,000 principal amount of Series A Convertible Unsecured Subordinated Debentures (the “Debentures”) with a coupon rate of 6.30% per annum payable semi-annually on June 30 and December 31 commencing on December 31, 2004. The Debentures will mature on June 30, 2014 (the “Maturity Date”). The net proceeds of the offering will be used to reduce outstanding indebtedness incurred under the Trust’s operating facility, to finance pending acquisitions, to repay certain hypothecary loans on income producing properties which will mature in the near future and for general purposes, including future acquisitions. The offering is expected to close on or about September 17, 2004 and is subject to regulatory approval.

The Debentures will be convertible at the holder's option into Trust units at any time prior to the earlier of June 27, 2014 and the date fixed for redemption at a conversion price of \$17.40 per Trust unit (the “Conversion Price”). The Debentures will not be redeemable before June 30, 2008. On and after June 30, 2008 and prior to June 30, 2010, the Debentures may be redeemed in whole or in part from time to time at Cominar REIT’s option provided that the market price for the Trust's units is not less than 125% of the Conversion Price. On and after June 30, 2010, the Debentures may be redeemed in whole or in part from time to time at Cominar REIT’s option at a price equal to their principal amount plus accrued interest. Subject to regulatory approval, Cominar REIT 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 Trust units equal to the amount due divided by 95% of the market price for the units at that time, plus accrued interest in cash.

The Debentures 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.

About Cominar REIT

As one of the largest real estate owners in the Province of Quebec, Cominar Real Estate Investment Trust enjoys a dominant presence and significant economies of scale. The REIT currently owns a diversified portfolio of 115 properties consisting of 13 office buildings, 25 retail buildings and 77 industrial and mixed-use building, which cover a total area of over more than 8.4 million square feet in the Montreal and Quebec City regions. As Cominar's asset and property management are fully internalized and fully integrated, the REIT is an entirely self-administered and self-directed real estate investment trust.

For information:

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