

Partners Real Estate Investment Trust Announces Exercise of Over-Allotment Option

FOR IMMEDIATE RELEASE

VICTORIA, BRITISH COLUMBIA August 29, 2012 – Partners Real Estate Investment Trust (TSX: PAR.UN) (“Partners REIT”) is pleased to announce that the underwriters of its previously announced offering of \$30,000,000 aggregate principal amount of 6.0% convertible unsecured subordinated debentures have delivered a notice of intention to exercise in full their over-allotment option which will result in the issuance of an additional \$4,500,000 aggregate principal amount of debentures, for a total issuance of \$34,500,000 aggregate principal amount of debentures (the “Offering”).

The closing of the Offering is expected to take place on or about September 5, 2012.

The estimated net proceeds to the REIT for the Offering, after deducting the underwriters’ fee of \$1,380,000 but before deducting the expenses of the Offering, is \$33,120,000.

The Debentures have a maturity date of September 30, 2017. The Debentures have a coupon of 6.00% per annum and will pay interest semi-annually in arrears on March 31 and September 30 in each year commencing on March 31, 2013. Each \$1,000 principal amount of Debenture is convertible into approximately 96.618 units of the REIT, at any time, at the option of the holder, representing a conversion price of \$10.35 per unit.

Partners REIT will use the net proceeds from the Offering to repay existing debt, to fund future acquisitions and for general trust purposes.

The Offering was led by National Bank Financial Inc., Scotiabank and Canaccord Genuity Corp., with National Bank Financial Inc. and Scotiabank acting as joint bookrunners, and included CIBC World Markets Inc., RBC Dominion Securities, TD Securities Inc., Macquarie Capital Markets Canada Ltd., Raymond James Ltd. and M Partners Inc.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been and will not be registered under the U.S. Securities Act of 1933 as amended and may not be offered or sold in the United States absent registration or pursuant to applicable exemption from registration.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust, which currently owns (directly or indirectly) thirty retail properties located in British Columbia, Alberta, Manitoba, Ontario and Quebec, aggregating approximately 2.2 million square feet of leasable space. Partners REIT focuses on expanding and managing a portfolio of retail and mixed-use community and neighbourhood shopping centres located in both primary and secondary markets across Canada.

For further information:

Partners REIT:

Patrick Miniutti, President and Chief Operating Officer (250) 940-5530

Forward-looking Statements

Certain statements included in this press release constitute forward-looking statements, including, but not limited to, those identified by the expressions “believe”, “expect,” “will”, “offers the opportunity”, “intend, “look forward” and similar expressions to the extent they relate to Partners REIT. The forward-looking statements are not historical facts but reflect Partners REIT’s current expectations regarding future results or events. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the closing of the Over-Allotment Option, access to capital, regulatory approvals, our intention to grow and diversify our portfolio, intended acquisitions, our status as a “real estate investment trust” and general economic and industry conditions. Although Partners REIT believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein.

The forward-looking statements contained in this press release reflect our current views with respect to future events and are also subject to certain other risks and uncertainties and other risks detailed from time-to-time in Partners REIT’s ongoing filings with the securities regulatory authorities, which filings can be found at www.sedar.com. Actual results, events, and performance may differ materially from those contemplated in Partners REIT’s forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. Partners REIT does not undertake any obligation to publicly update or revise any forward-looking statements either as a result of new information, future events or otherwise, except as required by applicable securities laws.

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