

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

FOR IMMEDIATE RELEASE

VICTORIA, BRITISH COLUMBIA June 19, 2012 – Partners Real Estate Investment Trust (TSX: PAR.UN) (“Partners REIT”) is pleased to announce that the underwriters of its previously announced offering (the “Offering”) of 2,705,000 units of the REIT (“Units”) at a price of \$7.40 per Unit representing gross proceeds of approximately \$20 million, have delivered a notice of intention to exercise in full their over-allotment option which will result in the issuance of an additional 405,750 Units at a price of \$7.40 per Unit, for gross proceeds of approximately \$3.0 million (the “Over-Allotment Option”). Total gross proceeds to the REIT from the Offering and the Over-Allotment Option are expected to be \$23.02 million.

The closing of the Over-Allotment Option is expected to take place on or about June 21, 2012 and is subject to certain conditions precedent.

The estimated net proceeds to the REIT for the Over-Allotment Option, after deducting the underwriters’ fee of \$135,115 but before deducting the expenses of the Over-Allotment Option, is approximately \$2.87 million.

The REIT intends to use the net proceeds from the Over-Allotment Option to pay down a portion of the REIT’s acquisition facility advanced in respect of a property purchase completed in 2011 and for general trust purposes.

The Offering was led by Scotiabank, Canaccord Genuity Corp. and National Bank Financial Inc., with Scotiabank and Canaccord Genuity Corp. acting as joint bookrunners, and included TD Securities Inc., CIBC, RBC Capital Markets, 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) 30 retail properties located in British Columbia, Alberta, Ontario, Manitoba and

Quebec, aggregating approximately 2.2 million square feet of leaseable 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 "expect," "will" 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 integration of the acquisitions with our property portfolio, the receipt of regulatory approval, our expectations regarding closing the proposed acquisitions, the expected increase in the mortgage, our expectations regarding an increase in incremental funds as a result of the acquisitions, our intention to continue to grow and diversify our portfolio, access to capital, regulatory approvals, intended acquisitions 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.

Net operating income ("NOI") and funds from operations ("FFO") are non-IFRS measures often used by Canadian real estate investment trusts as measures of operating performance. NOI and FFO are presented herein because management believes these non-IFRS measures are relevant measures of the operating performance of the REIT.