

**ROYAL HOST REIT ANNOUNCES
SUBSTANTIAL ISSUER BID FOR ITS TRUST UNITS**

**For Immediate Release
November 4, 2009**

Calgary, Alberta - Royal Host Real Estate Investment Trust (the "Trust" or "Royal Host", TSX-RYL.UN, TSX- RYL.DB.B, TSX- RYL.DB.C, TSX- RYL.DB.D) announced a substantial issuer bid (the "Offer") today pursuant to which the Trust will offer to purchase for cancellation up to 5,000,000 of its outstanding trust units ("Units") from unitholders ("Unitholders") at a price of \$2.45 per Unit. If more than 5,000,000 Units are tendered to the Offer, the Trust will purchase the Units on a *pro rata* basis according to the number of Units deposited, or deemed to be deposited under the terms of the Offer, by the depositing Unitholders with fractions rounded down to the nearest whole Unit. The Offer is not conditional on any minimum number of Units being deposited. The purchase of Units will be financed from existing cash and available credit facilities and is not expected to affect the Trust's monthly distributions to Unitholders.

As of November 3, 2009, there were 19,515,175 Units outstanding and, accordingly, the Offer is for up to approximately 25.62% of the outstanding Units. The Offer is subject to various conditions typical of transactions of this nature, including obtaining regulatory exemption rulings. It is anticipated that the offer to purchase and issuer bid circular and other related documents (the "Offer Documents"), containing the terms of the Offer and the instructions for tendering Units will be mailed to Unitholders and filed with applicable securities regulators on or about November 6, 2009. The Offer will remain open for acceptance for at least 35 days after the date of commencement, unless withdrawn or extended by the Trust.

The trustees of the Trust believe that the purchase of Units under the Offer represents an effective use of the Trust's financial resources and is in the best interests of its Unitholders as the recent trading price range of the Units is not fully reflective of the value of the Trust's business and future prospects. The repurchase of Units is not expected to preclude the Trust from pursuing its foreseeable business opportunities or the future growth of its business.

In accordance with applicable Canadian securities laws, Royal Host will suspend purchases of its Units pursuant to its normal course issuer bid announced on January 8, 2009 until after the Expiration Date or date of termination of the Offer. As of the date hereof, Royal Host has acquired 1,419,030 Units at an average price of \$2.77 per Unit.

Also, in accordance with applicable Canadian securities laws, Royal Host will suspend purchases of its 6% convertible unsecured subordinated debentures (the "6% Debentures") (Trading Symbol: RYL.DB.B), its 6.25% convertible unsecured subordinated debentures (the "6.25% Debentures") (Trading Symbol: RYL.DB.C), and its 5.9% convertible unsecured subordinated debentures (the "5.9% Debentures") (Trading Symbol: RYL.DB.D) pursuant to its normal course issuer bids announced on September 8, 2009 until after the Expiration Date or date of termination of the Offer. As of the date hereof, Royal Host has purchased an aggregate principal amount of \$52,000 of the 6% Debentures and an aggregate amount of \$102,000 of the 5.9% Debentures. As of the date hereof, Royal Host has not acquired any 6.25% Debentures.

Neither the Trust nor its Board of Trustees makes any recommendation to Unitholders as to whether to tender or refrain from tendering their Units to the Offer. Unitholders are strongly

encouraged to review the Offer Documents carefully and to consult with their financial and tax advisors prior to making any decision with respect to the Offer.

Royal Host is a diversified hospitality trust that delivers Unitholder value through hotel ownership, investment, management and franchising. It is Canada's second largest hotel real estate investment trust.

As at June 30, 2009, Royal Host owns a diversified portfolio of 31 operating hotels, comprising approximately 3,670 guest rooms. The portfolio includes limited and full service hotels in the mid-market and economy hospitality segments, and is well represented throughout Canada operating under recognizable brands, as well as a number of unbranded properties.

Royal Host also maintains an investment portfolio of publicly-traded securities focused on the hospitality and service sectors, which allows the Trust to readjust the balance of resources dedicated to direct hotel ownership and indirect investments.

Royal Host also owns the master franchise rights for Travelodge® and Thriftlodge® in Canada and currently franchises approximately 99 locations, 13 of which are owned by the Trust. Royal Host receives a stable stream of revenue through monthly royalty fees paid by licensed hotel owners and by selling franchise licenses, which enhances the overall diversity of Royal Host's income stream.

This press release contains certain forward-looking statements relating, but not limited to, Royal Host's operations, anticipated financial performance, business prospects, and strategies. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", or similar words suggesting future outcomes. Such forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected, or implied by such forward-looking statements. Such factors include, but are not limited to economic, competitive, and lodging industry conditions. Royal Host disclaims any responsibility to update any such forward-looking statements except as required by law.

Further information can be found in the disclosure documents filed by the Trust with the securities regulatory authorities, available at www.sedar.com or through the Trust's website at www.royalhost.com.

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