

**ROYAL HOST REIT ANNOUNCES
RESULTS OF SUBSTANTIAL ISSUER BID FOR ITS UNITS**

**For Immediate Release
January 11, 2010**

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 today the final results of its previously announced offer (the "Offer") to purchase for cancellation up to 5,000,000 of its outstanding units ("Units"), which expired at 5:00 p.m. (Halifax Time) on Monday, January 11, 2010.

As at 5:00 p.m. (Halifax time) today, based on reports provided by the Depositary for the Offer, a total of 99,102 Units had been deposited pursuant to the Offer. The Trust will be taking up all of the 99,102 Units deposited as of 5:00 p.m. today as required by applicable securities laws and as set forth in the Offer and accompanying circular dated November 4, 2009, as extended by the notice of extension dated December 15, 2009.

Payment for the Units tendered and accepted for purchase will be made as soon as practicable in accordance with the Offer. The purchase for cancellation of Units represents approximately 0.54% of the Units outstanding as of January 11, 2010. After giving effect to the purchase for cancellation, approximately 18,205,568 Units will remain outstanding.

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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