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True North Commercial Real Estate Investment Trust Expands Geographic Footprint in Alberta Acquiring Single-Tenant Edmonton Building With Long-Term, Credit-Rated Tenant

TORONTO, ONTARIO--(Marketwired - Aug. 18, 2014) -

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True North Commercial Real Estate Investment Trust (the "REIT") (TSX:TNT.UN) announced today that it has agreed to acquire (the "Acquisition") a 96,804 square foot, 100% occupied, office property located in Edmonton, Alberta (the "Edmonton Property"). Following closing, the Acquisition is expected to be immediately accretive to the REIT's funds from operations ("FFO") and adjusted funds from operations ("AFFO") per trust unit of the REIT ("Unit") and reduce the REIT's AFFO payout ratio.

Highlights:

-- The REIT has agreed to acquire the Edmonton Property for an aggregate

purchase price of approximately \$24.5 million, partially financed

through the sale (the "Offering"), on a bought deal basis, of 1,615,574

Units at a price of \$6.55 per Unit

-- The Edmonton Property is located at 13140 St. Albert Trail and is fully-

leased for a remaining term of 5.3 years to a credit-rated tenant that

is a wholly-owned subsidiary of an entity listed on the Toronto Stock

Exchange with approximately \$21 billion in annual revenue

-- Upon completion of the Acquisition, the REIT's occupancy will increase

to 98.8%, revenue from government and credit-rated tenants will increase

to 88.2%, average remaining lease term will increase to 4.3 years, and

the REIT will have an indebtedness to gross book value ratio of

approximately 59.0%

Daniel Drimmer, the REIT's President, Chief Executive Officer and Chairman of the Board, stated, "We are very pleased to broaden our footprint in the economically robust province of Alberta via our entrance into the Edmonton market. The acquisition of the Edmonton Property is consistent with our core strategy of acquiring high quality buildings in strong secondary markets, tenanted with either government or credit rated organizations."

Description of the Edmonton Property

The Edmonton Property is a single-storey office building situated northwest of downtown Edmonton, Alberta with a total of 96,804 fully leased rentable square feet, with 5.3 years remaining on the lease term. The Edmonton Property was originally constructed in 1975 and modernized through extensive renovations and upgrades in 2005 and 2009. The property is well maintained with an excellent parking ratio of 4.1 stalls per 1000 square feet (approximately 400 paved parking stalls, a number of which are energized), is well located within close proximity to The Trans-Canada Highway and Highway 216 (Edmonton's ring road), and is situated on St. Albert Trail, one of Edmonton's major arterial roads.

The Acquisition

The REIT will acquire the Edmonton Property for an aggregate purchase price of approximately \$24.5 million, representing an implied capitalization rate of approximately 7.4%. The purchase price will be satisfied by a combination of approximately \$6.125 million in cash and approximately \$18.375 million aggregate principal amount of new mortgage financing which is expected to have a 5-year term and an interest rate of approximately 3.30%. The Acquisition is expected to close on or about September 15, 2014.

The Offering

To finance the cash component of the purchase price of the Acquisition, the REIT has agreed to sell, on a bought deal basis by way of a prospectus supplement to the REIT's base shelf prospectus dated December 16, 2013, 1,615,574 Units at a price of \$6.55 per Unit for aggregate gross proceeds of approximately \$10.582 million to a syndicate of underwriters led by Raymond James Ltd.

The REIT intends to use the proceeds of the Offering not allocated to the Acquisition to repay a portion of the REIT's credit facilities. In the event the Acquisition does not close, the proceeds allocated to the Acquisition will be used by the REIT to fund future acquisitions in accordance with the REIT's ongoing acquisition program.

The REIT expects to file a prospectus supplement relating to the issuance of the Units with the securities commissions or other similar regulatory authorities in each of the provinces and territories of Canada on or before August 20, 2014. Closing of the Offering is expected to occur on or about August 27, 2014, or such later date as may be agreed upon, subject to Toronto Stock Exchange approval.

About the REIT

The REIT is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario.

The REIT is focused on acquiring and operating commercial rental properties across Canada and such other jurisdictions where opportunities exist. Additional information concerning the REIT is available at www.sedar.com.

Non-IFRS Financial Measures

The REIT's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). AFFO, FFO, and indebtedness to gross book value, as well as other

measures discussed elsewhere in this news release, do not have a standardized definition prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other reporting issuers. The REIT uses non-IFRS measures to better assess the REIT's underlying performance and financial position and provides these additional measures so that investors may do the same. Details on non-IFRS measures are set out in the REIT's Management's Discussion and Analysis for the period ended June 30, 2014 and available on the REIT's profile at www.sedar.com.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking statements are provided for the purposes of assisting the reader in understanding the REIT's financial position and results of operations as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information may relate to the REIT's future outlook and anticipated events, including completion of the Offering, the Acquisition, the intended use of proceeds, or other financial or operating results and may include statements regarding the financial position, business strategy, budgets, financing rates and costs, the capitalization rate attributable to the Acquisition, taxes and plans and objectives of or involving the REIT. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the REIT or the real estate industry are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking statements necessarily involve known and unknown risks and uncertainties, that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the REIT's control, affect the operations, performance and results of the REIT and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to, the risks discussed in the REIT's materials filed with Canadian securities regulatory authorities from time to time on www.sedar.com. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance that actual results will be consistent with such forward-looking statements.

Information contained in forward-looking statements is based upon certain material assumptions, including management's perceptions of historical trends, current conditions and expected future developments, including the completion of the Offering and the Acquisition, as well as other considerations that are believed to be appropriate in the circumstances, such as: the Canadian economy will remain stable over the next 12 months; inflation will remain relatively low; interest rates will remain stable; conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate; the Canadian capital markets will continue to provide the REIT with access to equity and/or debt at reasonable rates when required; Starlight Investments Ltd. will continue its involvement as asset manager of the REIT in accordance with its current asset management agreement; and the risks identified or referenced above, collectively, will not have a material impact on the REIT.

While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

The forward-looking statements made in this press release are dated, and relate only to events or information, as of the date of this press release. Except as specifically required by law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

The Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States without registration or an applicable exemption from the registration requirements of that act. This new release does not constitute an offer to sell the Units in the United States.

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