H&R REAL ESTATE INVESTMENT TRUST

H&R Upsizes the Issuance of Bonds Secured by The Bow to $500 million and Announces its Intention to Redeem Outstanding 2013 and 2014 Convertible Unsecured Debentures

Toronto, May 30, 2012 - H&R Real Estate Investment Trust ("H&R") (TSX: HR.UN; HR.DB; HR.DB.B; HR.DB.C; HR.DB.D; HR.DB.E) announced today the terms on two series of first mortgage bonds secured by The Bow, Calgary, Alberta. The bonds will be issued by Centre Street Trust, a wholly owned entity of H&R. Closing is expected to occur on June 14, 2012.

The offering was upsized from $400 million to $500 million and is comprised of: (a) $250 million, 9 year term (maturing June 14, 2021), semi-annual interest only bonds with an interest rate of 3.690% (the “Series A Bonds”) and (b) $250 million, 10 year term (maturing June 14, 2022), semi-annual 30 year amortizing bonds with an interest rate of 3.693% (the “Series B Bonds” together with the Series A Bonds, the “Initial Bonds”). The Initial Bonds achieved a provisional rating of A by DBRS.

On closing, the Bow will also secure a revolver in favour of certain lenders in the amount of up to $300 million (the “Secured Revolver”). The security for the Initial Bonds and the Secured Revolver will rank pari passu and are subject to an intercreditor agreement with the trustee on behalf of the holders of the bonds.

Further bonds secured by The Bow may be issued from time to time in a total aggregate amount including the Secured Revolver not to exceed $800 million and shall not exceed $365 million at the end of the initial 25 year term of the Encana Lease.

H&R intends to utilize the proceeds from the Offering to repay indebtedness and for future acquisitions, including financing a portion of the recently announced acquisition of a one-third interest in Scotia Plaza in downtown Toronto, one of Canada’s preeminent office properties scheduled to close on June 20, 2012.

H&R’s proforma debt to fair value after the issuance of the Initial Bonds and purchase of Scotia Plaza is expected to be 55.3%. In terms of liquidity, H&R will have cash on hand of approximately $105 million and approximately $553 million available from its operating facilities. Assuming the conversion of the 2013 and 2014 convertible debentures into units (see below), the proforma debt to fair value will decrease to 53.9%.

RBC Dominion Securities (as lead agent and sole bookrunner), together with CIBC World Markets and TD Securities, are acting as agents for the Offering of the Initial Bonds.

H&R also announced its intention to redeem all of its outstanding 6.65% convertible unsecured subordinated debentures maturing June 30, 2013 (the “2013 Convertible Debentures”) on July 3, 2012 (the “Redemption Date”) pursuant to and subject to the terms of the trust indenture dated June 6, 2008 (“Trust Indenture”). As at the date hereof, the aggregate principal amount of $114,795,000 was outstanding on the 2013 Convertible Debentures. The 2013 Convertible Debentures are listed for trading on the Toronto Stock Exchange (“TSX”) under the trading symbol HR.DB.

Each outstanding 2013 Convertible Debenture in the principal amount of $1,000 will be redeemed as at the Redemption Date upon payment by H&R of a redemption amount of $1,000.55, being equal to the aggregate principal amount and all accrued and unpaid interest thereon up to but excluding the Redemption Date, less any applicable withholding taxes. The regular interest payment due June 30, 2012 will be paid to holders of the 2013 Convertible Debentures on such date pursuant to the terms of the Trust Indenture.

Finally, H&R announced its intention to redeem all of its outstanding 6.75% Series B convertible unsecured subordinated debentures maturing December 31, 2014 (the "2014 Convertible Debentures") on the earliest date permitted under the first supplemental trust indenture dated July 30, 2009 (the "Supplemental Indenture"), being July 31, 2012 (the "Series B Redemption Date") pursuant to and subject to the terms of the Supplemental Indenture. As at the date hereof, the aggregate principal amount of $21,639,500 was outstanding on the 2014 Convertible Debentures. The 2014 Convertible Debentures are listed for trading on the TSX under the trading symbol HR.DB.B.

Each outstanding 2014 Convertible Debenture in the principal amount of $1,000 will be redeemed as at the Series B Redemption Date upon payment by H&R of a redemption amount of $1,005.73, being equal to the aggregate principal amount and all accrued and unpaid interest thereon up to but excluding the Series B Redemption Date, less any applicable withholding taxes. The regular interest payment due June 30, 2012 will be paid to holders of the 2014 Convertible Debentures on such date pursuant to the terms of the Supplemental Indenture.

Notice of the redemptions will be delivered to the Canadian Depository for Securities Limited ("CDS") and the trustee, CIBC Mellon Trust Company today, in the case of the 2013 Convertible Debentures, and in due course in accordance with the Supplemental Indenture, in the case of the 2014 Convertible Debentures. Non-registered holders (banks, brokerage firms or other financial institutions) who maintain their interests in the 2013 or 2014 Convertible Debentures through CDS should contact their CDS customer service representative with any questions about the redemptions. Beneficial holders with any questions about the redemptions should contact their respective brokerage firm or financial advisor.

About H&R
H&R is an open-ended real estate investment trust, which owns a North American portfolio of 40 office, 118 industrial, 133 retail properties comprising over 43 million square feet, and 3 development projects with a fair value of approximately $9.3 billion. The foundation of H&R's success since inception in 1996 has been a disciplined strategy that leads to consistent and profitable growth. H&R leases its properties long term to creditworthy tenants and strives to match those leases with primarily long-term, fixed-rate financing.

Forward-looking Statements
Certain information in this news release contains forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, statements relating to the objectives of H&R, strategies to achieve those objectives, H&R's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts including, in particular, H&R's expectation regarding future developments in connection with and financial impact of The Bow, the expected closing of the Offering and timing thereof, the use of proceeds from the Offering and the expected completion of the Scotia Plaza acquisition and timing thereof. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect H&R's current beliefs and are based on information currently available to management. These statements are not guarantees of future performance and are based on H&R's estimates and assumptions that are subject to risk and uncertainties, including those discussed in H&R's materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and performance of H&R to differ materially from the forward-looking statements contained in this news release. Those risks and uncertainties include, among other things, risks related to: prices and market value of securities of H&R; availability of cash for distributions; development and financing relating to The Bow development; restrictions pursuant to the terms of indebtedness; liquidity; credit risk and tenant concentration; interest rate and other debt related risk; tax risk; ability to access capital markets; dilution; lease rollover risk;

construction risks; currency risk; unitholder liability; co-ownership interest in properties; competition for real property investments; environmental matters; reliance on one corporation for management of substantially all H&R's properties; and changes in legislation and indebtedness of H&R. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include that the general economy is stable; local real estate conditions are stable; interest rates are relatively stable; and equity and debt markets continue to provide access to capital. H&R cautions that this list of factors is not exhaustive. Although the forward-looking statements contained in this news release are based upon what H&R believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. All forward-looking statements in this news release are qualified by these cautionary statements. These forward-looking statements are made as of today, and H&R, except as required by applicable law, assumes no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.

Additional information regarding H&R REIT is available at www.hr-reit.com and on www.sedar.com. For more information, please contact Larry Froom, Chief Financial Officer, H&R REIT, 416-635-7520, or e-mail info@hr-reit.com.

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