NEWS RELEASE

Chartwell Announces Termination of the Agreement to Sell Six of Its U.S. Properties

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MISSISSAUGA, ONTARIO--(Marketwire - Dec. 19, 2012) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) ("Chartwell") announced today that the previously announced agreement to sell its 100% ownership in six U.S. properties aggregating 1,221 independent living suites located in Michigan, Tennessee, Oklahoma, Alabama and Ohio (the "Agreement") to Harvest Facility Holdings LP, a wholly-owned subsidiary of Fortress Investment Group LLC (the "Purchaser") has been terminated by the Purchaser. Chartwell will continue to own these high quality properties, which will remain under the management of Brookdale Senior Living.

"We are disappointed that this transaction will not proceed to closing, but remain focused on the operation of these properties until we are able to execute our strategic plan to narrow our footprint in the U.S. to concentrate on our key markets of Colorado, Texas and Florida," commented Brent Binions, President and CEO.

About Chartwell

Chartwell is a real estate investment trust which indirectly owns and operates a complete range of seniors housing communities from independent supportive living through assisted living to long term care. It is one of the largest participants in the seniors housing business in North America. Chartwell's aim is to capitalize on the strong demographic trends present in its markets to maximize the value of its existing portfolio of seniors housing communities, and prudently avail itself of opportunities to grow internally and through accretive acquisitions.

Chartwell's Distribution Reinvestment Plan ("DRIP") allows Unitholders to have their monthly cash distributions used to purchase units without incurring commission or brokerage fees, and receive bonus units equal to 3% of their monthly cash distributions. More information can be obtained at **www.chartwellreit.ca**.

Forward-Looking Information

This press release contains forward-looking information that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. The words "plans", "expects", "does not expect", "is expected", "budget", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements. Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, and that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements.

While we anticipate that subsequent events and developments may cause our views to change, we do not intend to update this forward-looking information, except as required by applicable securities laws. This forward-looking information represents our views as of the date of this press release and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimated expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. See "Risks and Uncertainties" in the MD&A, and risk factors highlighted in materials filed with the securities regulatory authorities in Canada from time to time, including but not limited to our most recent Annual Information Form.

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