NEWS RELEASE

Chartwell to Acquire Joint Venture Interest in Quebec Portfolio

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MISSISSAUGA, ONTARIO -- (MARKET WIRE) -- 09/04/08 -- Chartwell Seniors Housing Real Estate Investment Trust (TSX: CSH.UN) and Groupe Melior announced today that Residences Melior (an affiliate of Groupe Melior), Chartwell's joint venture partner in the Province of Quebec, has exercised its right to sell to Chartwell the remaining 50% interest owned by Melior in seven retirement properties in the Province of Quebec, as well as Melior's 50% interest in the joint venture property management company looking after all of Chartwell's communities in Quebec. Under the terms of the agreement, the price to be paid by Chartwell for the 50% interest in the seven properties and the management company will be determined by independent appraisers. Subject to regulatory approvals, the transaction will close within sixty days.

"We are very pleased to be bringing all of our Quebec properties and management functions under one platform," commented Stephen Suske, Chief Executive Officer and Vice Chair. "By acquiring the outstanding interest in these communities, as well as our property management company, we will have full control to execute our proven value enhancing strategies and enhance the operating performance of the Quebec portfolio."

"Melior's right to sell its interest in the seven joint venture properties was planned when the partnership with Chartwell was created in 2004. This transaction is positive and constitutes a turning point for Melior to pursue new development projects, improve and invest in properties currently owned by Melior, and create new housing products for the seniors of today and tomorrow," commented Jean Maynard, President and CEO of Groupe Melior. "Over the years, Melior has become a leading name in Quebec and we will continue to build on that reputation."

The properties in which Chartwell will purchase the remaining 50% interest are as follows:

- Monastere d'Aylmer in Aylmer containing 272 suites

- Notre Dame de Hull in Hull containing 225 suites

- Marquis de Tracy I in Sorel containing 123 suites

- Marquis de Tracy II in Sorel containing 138 suites

- Domaine du Chateau de Bordeaux in Quebec City containing 150 suites

- Residence Principale in Cowansville containing 197 suites

- Residence St-Pierre in Rouyn-Noranda containing 121 suites

Chartwell is an investment trust focused on generating sustainable, stable and growing cash distributions from owning and managing a complete spectrum of seniors housing communities. It is the largest participant in the Canadian seniors housing business and the third largest in North America. Chartwell will capitalize on the strong demographic trends present in its markets to maximize the value of its existing portfolio of seniors housing facilities, and prudently avail itself of opportunities to grow internally and through accretive acquisitions. Chartwell also has an exclusive option to purchase stabilized communities from Spectrum, Canada's largest and fastest growing seniors housing development company.

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**.

This press release contains forward-looking information that reflect the current expectations of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "believe", "project", "should" or "continue" or the negative thereof or similar variations. 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 Chartwell's control, 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 have an intention 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 our 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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