



Lakeview Hotel Real Estate
Investment Trust

LAKEVIEW HOTEL REAL ESTATE INVESTMENT TRUST
Press Release

Lakeview Hotel REIT Reports Year End Financial Results

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Winnipeg, Manitoba, April 29, 2010 - Lakeview Hotel Real Estate Investment Trust ("Lakeview REIT") reported its financial results for the year ended December 31, 2009. The following comments in regard to the financial results should be read in conjunction with the December 31, 2009 financial statements and Management Discussion and Analysis which are available on the SEDAR website www.sedar.com and the Lakeview REIT website www.lakeviewreit.com.

The past two years have been extremely challenging for Lakeview REIT. During the recession the hotel sector was especially hard hit. The challenges Lakeview REIT faced were magnified by its exposure to smaller markets, primarily in Alberta, that were and are dependant on natural gas drilling activity to drive occupancy. The past two years has seen markedly declining natural gas prices due to reduced consumption during the recession, record levels of natural gas in storage, and concerns over a developing glut of natural gas due to new technology which allows for the extraction of natural gas from shale. This problem of over supply was compounded by changes to the Alberta Royalty Tax structure which, in an environment of low natural gas prices, drove much of the remaining drilling activity out of the Province of Alberta.

While Lakeview REIT continues to deal with the challenges that it has faced over the past two years, there have been a number of significant developments that indicate a significant improvement in operating results from properties operating in natural gas markets will be achieved within the next 12 to 18 months. Some of these developments are market specific while others are more global in nature. The more significant developments are discussed in detail in Lakeview REIT's Management Discussion and Analysis.

Lakeview REIT has benefited from the support of "related parties" that own over 1/3 of the units of the REIT. By way of an informal understanding, the related parties have agreed to the deferral of fees from the REIT to ensure the accounts payables of all unrelated parties remain current. It is anticipated that this support from the related parties will continue until the cash flow from Lakeview REIT improves later in 2010 or in 2011.

Following is a comparison of the operating results for the three months and the year ended December 31, 2009 and the comparable periods in 2008:

	Three months ended		Year ended	
	December 31		December 31	
	2009	2008	2009	2008
Hospitality Revenue				
Room	6,594,497	8,626,842	29,916,503	35,134,621
Food & Beverage	698,987	916,585	2,911,317	3,732,213
Other	308,761	568,111	1,673,716	1,881,507
Total Revenue	7,602,245	10,111,538	34,501,536	40,748,341
Expenses	10,420,526	11,542,946	42,569,646	43,003,769
Net Income (Loss) before future income tax expense	(2,818,281)	(1,431,408)	(8,068,110)	(2,255,428)
Basic and diluted income (loss) before income tax per unit	(0.144)	(0.074)	(0.414)	(0.117)
Future Income Tax (Expense) Recovery (1)		816,000		734,000
Net Loss	(2,818,281)	(615,408)	(8,068,110)	(1,521,428)
Basic and Diluted Income (Loss) per Unit	(0.144)	(0.032)	(0.414)	(0.079)
Reconciliation to funds from Operations				
Add (deduct)				
Amortization of income properties	1,680,893	1,669,487	6,694,496	6,212,645
Amortization of franchise fees	8,734	12,435	57,141	48,534
Distributions from Lakeview Flag Licensing General Partnership	19,600	182,280	439,530	537,530
Income from Lakeview Flag Licensing General Partnership	(105,614)	(177,302)	(584,552)	(617,334)
Future income tax expense (recovery) (1)		(816,000)		(734,000)
Funds from Operations	(1,214,668)	255,492	(1,461,495)	3,925,947
Basic and diluted funds from Operations per unit	(0.062)	0.013	(0.075)	0.204
Contributions to reserve account	(172,255)	(236,047)	(774,515)	(1,160,788)
Adjusted funds from Operations	(1,386,923)	19,445	(2,236,010)	2,765,159
Basic and diluted adjusted funds from Operations per unit	(0.071)	0.001	(0.115)	0.143
Reconciliation to distributable income				
Accretion on debt component of convertible debentures	267,423	245,109	1,038,698	846,657
Accretion of debentures	47,786	43,005	183,814	124,372
Accretion of mortgages payable	62,913	51,764	222,905	204,192
Decretion of mortgages receivable		3,554	56,877	6,879
Compensation costs of unit options				55,845
Loss on settlement of mortgage receivable			98,244	
Distributable income	(1,008,801)	362,877	(635,472)	4,003,104
Basic and diluted distributable income per units	(0.052)	0.019	(0.033)	0.208
Distributions	0	1,092,879	192,748	7,458,352

Lakeview REIT is a real estate investment trust, which is listed on the TSX Venture Exchange under the symbol "LHR.UN". Lakeview REIT receives income from ownership, management and licensing of hotel properties.

FOR FURTHER INFORMATION PLEASE CONTACT:

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