



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, 2011 - Lakeview Hotel Real Estate Investment Trust ("Lakeview REIT") reported its financial results for the year ended December 31, 2010. The following comments in regard to the financial results should be read in conjunction with the December 31, 2010 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 bottom of the market for Lakeview REIT took place in February, 2010. Since that time, operating results have been in a clear uptrend. Starting in March, 2010, year-over-year monthly revenues for Lakeview REIT have increased in every month in 2010 but May.

The improvement in operating results is expected to continue. The overall outlook in the hotel sector has been improving as the economy in North America has been strengthening. Resource drilling activity in northern Alberta and British Columbia is also expected to show continued improvements from the very low levels of activity that began in 2008. This is very important for many of the hotels in Lakeview REIT located in smaller resource driven markets in that region.

It is important to note that as a result of the improvement in operating results Lakeview REIT is no longer in a negative distributable income position on an annual basis. If operating results continue to improve and distributable income becomes more positive, available cash flow will be used to reduce liabilities of the REIT, for capital improvements to the properties owned by the REIT, and to replenish the capital reserve which was reduced in 2010. It is unknown when Lakeview REIT will be in a position to resume distributions to its Unitholders.

Lakeview REIT has faced significant cash flow challenges over the past three years. The support of related parties that own over 1/3 of the units of the REIT and the agreement of the related parties to defer fees has allowed Lakeview REIT to remain current on all payments to all unrelated parties. Lakeview REIT has remained current on all debt service payments to all mortgage holders, on all payments to all debenture holders, and on all property tax and tax

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payments to all government agencies. While the need for further deferrals of fees is expected to be reduced significantly as operating results continue to improve, the related parties remain committed to the welfare of the REIT and will continue to do what is deemed necessary to benefit the REIT and its Unitholders.

Following is a comparison of the operating results for the three months and the year ended December 31, 2010 and the comparable periods in 2009:

	Three months ended		Year ended	
	<i>December 31</i>		<i>December 31</i>	
	2010	2009	2010	2009
Hospitality Revenue				
Room	7,706,385	6,594,497	30,863,747	29,916,503
Food & Beverage	852,082	698,987	2,932,247	2,911,317
Other	341,756	308,761	1,466,078	1,673,716
Total Revenue	8,900,223	7,602,245	35,262,072	34,501,536
Expenses	12,797,437	10,420,526	45,491,476	42,569,646
Net Loss	(3,897,214)	(2,818,281)	(10,229,404)	(8,068,110)
Basic and Diluted Income (Loss) per Unit	(0.199)	(0.144)	(0.523)	(0.414)
Reconciliation to funds from Operations				
Add (deduct)				
Amortization of income properties	1,639,171	1,680,893	6,632,795	6,694,496
Amortization of franchise fees	8,214	8,734	34,416	57,141
Provision for impairment of Note Receivable			1,396,062	
Provision for impairment of income properties	2,000,000		2,000,000	
Distributions from Lakeview Flag Licensing General Partnership	122,500	19,600	534,100	439,530
Income from Lakeview Flag Licensing General Partnership	(134,437)	(105,614)	(532,124)	(584,552)
Funds from Operations	(261,766)	(1,214,668)	(164,155)	(1,461,495)
Basic and diluted funds from Operations per unit	(0.013)	(0.062)	(0.008)	(0.075)
Contributions to reserve account	(199,177)	(172,255)	(770,056)	(774,515)
Adjusted funds from Operations	(460,943)	(1,386,923)	(934,211)	(2,236,010)
Basic and diluted adjusted funds from Operations per unit	(0.024)	(0.071)	(0.048)	(0.115)
Reconciliation to distributable income				
Accretion on debt component of convertible debentures	302,182	267,423	1,170,714	1,038,698
Accretion of debentures	53,098	47,786	204,248	183,814
Accretion of mortgages payable	64,550	62,913	254,688	222,905
Decretion of mortgages receivable				56,877
Compensation costs of unit options			124,000	
Loss on settlement of mortgage receivable				98,244
Loss on disposal of income properties	46,483		46,483	
Distributable income	5,370	(1,008,801)	865,922	(635,472)
Basic and diluted distributable income per units	0	(0.052)	0.044	(0.033)
Distributions	0	0	0	192,748

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.

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