BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION SUCCEEDS IN BID FOR CANADIAN HOTEL INCOME PROPERTIES REAL ESTATE INVESTMENT TRUST

Victoria and Vancouver, British Columbia, September 20, 2007 – British Columbia Investment Management Corporation ("bcIMC") and Canadian Hotel Income Properties Real Estate Investment Trust ("CHIP REIT") (TSX: HOT.UN, HOT.DB.A) announced today that 44,360,142 units of CHIP REIT (approximately 88% of the total issued and outstanding units) and $11,130,000 aggregate principal amount of CHIP REIT 6.0% convertible debentures (approximately 85.4% of the total issued and outstanding 6.0% convertible debentures) were validly tendered to the take-over bid made by BFO Acquisition Limited Partnership ("BFO LP"), an indirect wholly-owned subsidiary of bcIMC, prior to the expiry time of 5:00 p.m. (Toronto time) on September 20, 2007. In addition, 1,348,435 units (approximately 2.7% of the total issued and outstanding units) were deposited to the bid under notices of guaranteed delivery prior to the expiry time.

BFO LP has instructed the depositary that it will take up and pay for all of the units and 6.0% convertible debentures validly tendered to the offer and has extended the offer to enable those unitholders and debentureholders that have not yet tendered to deposit their units or 6.0% convertible debentures to the offer. The offer, as extended, will now expire at 5:00 p.m. (Toronto time) on October 2, 2007. A notice of extension and variation will be mailed to CHIP REIT unitholders and debentureholders as soon as possible.

Following the purchase of validly tendered units and 6.0% convertible debentures described above, BFO LP will own 44,360,142 units of CHIP REIT, representing approximately 88% of the issued and outstanding units, and $11,130,000 principal amount of CHIP REIT 6.0% convertible debentures, representing approximately 85.4% of the aggregate principal amount of the outstanding 6.0% convertible debentures.

CHIP REIT unitholders and debentureholders who hold their units or 6.0% convertible debentures through a broker or other financial intermediary will receive payment of the purchase price through such broker or intermediary. Unitholders holding units in registered form will receive payment directly from the depositary. Payment is expected to be made on or shortly after September 25, 2007.

If BFO LP acquires not less than 90% of the outstanding units under the offer as extended, it intends to use the compulsory acquisition provisions in CHIP REIT's declaration of trust to acquire the remaining units. If less than 90% of the units are acquired under the offer as extended, BFO LP intends to effect a subsequent acquisition transaction to acquire or cause the redemption of the remaining units, as described in its take-over bid circular. Such a transaction would be required to be approved by unitholders of CHIP REIT at a special meeting.

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In addition, since not less than 66⅔% of the aggregate principal amount of the 6.0% convertible debentures will be acquired by BFO LP under the offer, BFO LP intends to amend the trust indenture governing such debentures to permit a compulsory acquisition of the remaining 6.0% convertible debentures in such circumstances. BFO LP expects to complete the compulsory acquisition of 6.0% convertible debentures under the trust indenture, as so amended, as soon as reasonably practicable following expiry of the offer.

BFO LP expects the 6.0% convertible debentures to be de-listed from the Toronto Stock Exchange as soon as practicable following completion of a compulsory acquisition transaction as described above and intends to cause the de-listing of the units from the Toronto Stock Exchange shortly after it completes a compulsory acquisition or subsequent acquisition transaction as described above.

BFO LP first announced its intention to make the offer on August 1, 2007 and mailed its take-over bid circular to CHIP REIT unitholders and holders of 6.0% convertible debentures on August 15, 2007. Pursuant to the offer, BFO LP offered to purchase for cash all of the outstanding units of CHIP REIT at a price of $19.10 per unit and all of the 6.0% convertible debentures at a price of $1,625.53 per $1,000 principal amount of debentures, plus an amount equal to accrued and unpaid interest to (but excluding) September 20, 2007.

Avington and Bentall Capital LP acted as financial advisors to bcIMC and Lawson Lundell LLP and Blake, Cassels & Graydon LLP provided legal advice to bcIMC in connection with the offer. Koffman Kalef provided independent legal counsel to the special committee of trustees of CHIP REIT. Fraser Milner Casgrain LLP is legal counsel to CHIP REIT, and CIBC World Markets Inc. was financial advisor to CHIP REIT and the special committee. bcIMC has appointed Georgeson Shareholder Communications Canada Inc. as information agent for the offer. Any questions and requests for assistance with respect to the offer may be directed to Georgeson toll free in North America at: 1-888-605-7640.

About bcIMC

bcIMC is an investment management corporation based in Victoria, BC. With over $83 billion in assets under administration with global exposure, and supported by industry-leading expertise, bcIMC offers fund management services for all major asset classes, including currency and infrastructure investment. bcIMC's clients include public sector pension plans, the BC provincial government, public trusts and insurance funds. For more information, visit www.bcimc.com.

About CHIP REIT

CHIP REIT is an integrated hotel real estate investment trust focused on mid-market and upscale full-service hotels. Through its large, diversified portfolio, CHIP REIT provides investors with stable income and growth potential through acquisitions, repositioning and franchising under banners that include Delta, Radisson, Marriott and Hilton. CHIP REIT currently owns and manages 32 hotels with approximately 7,700 guestrooms. In 2006, CHIP REIT was named "Hotel Company of the Year" by Hotelier

Magazine, becoming the first REIT to win a Pinnacle Award in the hospitality industry's national recognition program. CHIP REIT units and convertible debentures trade on the Toronto Stock Exchange under the symbols HOT.un and HOT.db.a.

Disclaimer

This news release contains forward-looking information related to, but not limited to, the offer by BFO LP to acquire the units and 6.0% convertible debentures of CHIP REIT and possible future transactions, including a subsequent acquisition transaction. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan" or similar words suggesting future outcomes. Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such factors include, but are not limited to, the results of any extension of the offer and the offeror's decision with respect to, or ability to implement, a compulsory acquisition or subsequent acquisition transaction. bcIMC and BFO LP disclaim any intention or obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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