

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION ACQUIRES UNITS AND DEBENTURES TENDERED UNDER BID FOR CANADIAN HOTEL INCOME PROPERTIES REAL ESTATE INVESTMENT TRUST

Victoria, British Columbia, September 25, 2007 – British Columbia Investment Management Corporation (“bcIMC”) announced today that its indirect wholly-owned subsidiary, BFO Acquisition Limited Partnership (“BFO LP”), has paid for and completed the acquisition of 45,815,577 units of Canadian Hotel Income Properties Real Estate Investment Trust (“CHIP REIT”) (TSX: HOT.UN, HOT.DB.A) (approximately 90.9% 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) that were tendered to the take-over bid made by BFO LP prior to the initial expiry time of 5:00 p.m. (Toronto time) on September 20, 2007, as well as Units that were validly tendered to such take-over bid on Friday, September 21, 2007 following bcIMC’s and BFO LP’s extension of the offer. The offer, as extended, expires at 5:00 p.m. (Toronto time) on October 2, 2007.

The units were acquired for cash consideration of Cdn. \$19.10 per unit. The 6.0% convertible debentures were acquired for cash consideration of Cdn. \$1,625.53 in cash per \$1,000 principal amount of 6.0% convertible debentures, plus an amount equal to accrued and unpaid interest on the principal amount of the 6.0% convertible debentures up to, but excluding, September 20, 2007, the initial expiry date of BFO LP’s offer. As a result, BFO LP owns 45,815,577 units of CHIP REIT, representing approximately 90.9% 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.

The purpose of BFO LP’s offer is to enable it to acquire all of the units and 6.0% convertible debentures of CHIP REIT. Since BFO LP has acquired not less than 90% of the outstanding units under the offer, it intends to use the compulsory acquisition provisions in CHIP REIT’s declaration of trust to acquire the remaining units. BFO LP expects to initiate such a compulsory acquisition within 30 days following expiry of the offer, as extended.

In addition, since not less than 66⅔% of the aggregate principal amount of the 6.0% convertible debentures were acquired by BFO LP under the offer, BFO LP intends to approve an extraordinary resolution to amend the trust indenture governing the 6.0% convertible debentures to permit a compulsory acquisition of the remaining 6.0% convertible debentures in such circumstances. BFO LP expects to complete such a compulsory acquisition promptly following expiry of the offer, as extended.

Previously, in connection with the offer, BFO LP, bcIMC, in its capacity as trustee of the Realpool Investment Fund, and CHIP REIT entered into a support agreement on August 1, 2007, pursuant to which, among other things, CHIP REIT agreed to



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recommend that holders of units and 6.0% convertible debentures accept BFO LP's offer. In addition, on August 1, 2007, BFO LP and bcIMC, as trustee for the Realpool Investment Fund, entered into a Lock-Up Agreement with Belkin Enterprises Ltd. and certain of its affiliates, under which Belkin and those affiliates agreed, subject to certain conditions, to tender all units and 6.0% convertible debentures held by them to the offer by BFO LP.

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.

BFO LP's principal place of business is located at Sawmill Point, 3rd Floor, 2940 Jutland Road, Victoria, British Columbia V8T 5K6.

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.

For further information

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